



ANNUAL REPORT

2020

BUILDING FOUNDATION EMBRACING FUTURE





“

Renovation, innovation and digital transformation are uprising trends and crucial motivation to improve competitiveness of Vietnam economy in digital era, nurturing the ambition towards a powerful and prosperous Vietnam in the coming decades. Sharing such desire, Viet Dragon Securities Corporation chooses the theme **“Building foundation - Embracing future”** for the Annual Report 2020 with the ambition to strive to be **one of the leading, most modern and effective financial institutions in Vietnam** in 2030, based on a comprehensive digital transformation revolution. We believe that this will be an important foundation for Viet Dragon to capture opportunities and own our future, in order to realize the mission of creating an ecosystem of finance and investment for Vietnamese business community and investors, by creating and providing leading solutions, financial instruments and suitable investment products, which, ultimately, yield highest efficiency for customers through excellent operating system and customer service.

Inspired by the Internet of Things (IoT), we designed the cover of the Annual Report with the technological hand as the highlight, supporting 5 icons which represent: (1) Streamlined Process; (2) Culture and Strategy; (3) Technology; (4) Analysis and Data Management; (5) Customers Engaging. These are also the five pillars determined as foundation to achieve the success of digital transformation strategy for the entire company activities. In addition, the hand opening towards observers indicates sincerity, responsibility, and our willingness to share.

On the red background which shows strength and consistency, the core factors stand out on the green of renovation and innovation. All elements are arranged in balance, connection, and harmoniously circulate around Viet Dragon’s logo at the center – representing the fire, core values and missions of Viet Dragon’s people.

With this design, we would like to illustrate our perspective in implementing new strategy, which is: every change must attach to the core target of realizing our vision and missions and take it as the guideline for all Viet Dragon’s activities.

”
The overall design is a structure which creates value chain, encouraging all members of Viet Dragon to keep renovating, innovating, and to keep in mind our vision of becoming one of the leading, most modern and effective financial institutions of Vietnam.

”

ABOUT VIET DRAGON

Viet Dragon is among leading securities companies in Vietnam which specialized in providing products, professional financial and investment services for all investors, both institutional and individual, on the market.

Viet Dragon always attempts to achieve business goals, be proactive in every activity to create the highest growth value for stakeholders, and keep in mind the contribution responsibility to Vietnamese securities market.

We are committed to ethical and professionalism standards in all activities related to clients, employees, shareholders, authority and the society. For clients, **Viet Dragon** is delighted to be your partners on Vietnam securities market and entrusted with the responsibility of consulting and recommending the most effective solutions, financial instruments and investment product. For employees, **Viet Dragon** acts as a mentor, to guide and orient individuals on career paths full of opportunities for experience, and promotion. For shareholder, **Viet Dragon** continuously gives the best effort to achieve the highest business results. For authority bodies, **Viet Dragon** always complies with Laws on shares and stock market as well as relevant regulations, complete all obligations to State Budget. For the community, **Viet Dragon** is a companion through all the ups and downs, in addition to building and nurturing the young generations.

With the vision to become one of the leading, most modern and effective financial institutions in Vietnam, **Viet Dragon** is eager to create an ecosystem of finance and investment for Vietnamese business community and investors, as well as constantly improves company management quality, building a solid foundation and opening more opportunities in the future.



ABBREVIATIONS

Viet Dragon, The Company, VDSC	Viet Dragon Securities Corporation (VDSC)
AGM	The Annual General Meeting of Shareholders
BOD	The Board of Directors
BOM	The Board of Managers
SSC	The State Securities Commission
HSX or HoSE	The Ho Chi Minh Stock Exchange
HNX	The Ha Noi Stock Exchange
SM	The Securities Market
SS	Securities Services
BD	Brokerage Division
IB	Investment Banking
IT	Information Technology
Employees	Working staffs
HI/ AI	Health Insurance / Accident Insurance
CIT	Corporate Income Tax
PIT	Personal Income Tax
VAT	Value Added Tax
GDP	Gross Domestic Products
USD	United States Dollars
SB	State Budget
SBV	State Bank of Vietnam
SOE	State owned Enterprises
CORP.	Corporate

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MESSAGE FROM THE CHAIRMAN

Dear Shareholders, Partners, Clients and all members of Viet Dragon Securities Corporation,

2020 was a rough year when all mankind was put to confront Covid-19 pandemic. All economic and trading activities worldwide came to a halt, stock market plummeted. Thanks to close and drastic guidance of the Government, Vietnam has become a spotlight on pandemic controlling chart when successfully managing the pandemic while simultaneously maintaining economic growth. Consequently, Vietnam's stock market had a remarkable year of growing, both in terms of market indexes and liquidity scope, attracting a considerable quantity of new investors. Based on such results, Vietnam's stock market was appraised as the market with strongest recovery rate in Southeast Asia, included in the top 10 stock markets with highest growth rate globally in 2020.

Under the widely unstable circumstances of the stock market in the past year, Viet Dragon Securities Corporation (VDSC) made effort to overcome obstacles, capture and take advantage of business opportunities, which led to closing 2020 with outstanding success. Total revenue reached VND 466 billion, surpassed the year's plan by 48,98% and rose 35,83% YOY. Profit before tax was VND 192,66 billion, profit after tax was VND 150 billion, equalled to 416,95% year's plan and 333,25% higher than last year. Average earning per share (EPS) of 2020 was 1.500 VND/share; return on equity (ROE) reached 13,58%- higher than the average rate of enterprises in the industry.

In 2020, VDSC conducted researches, presented new investment product, better matching risk preferences and investment demand of our clients. In addition, the Company increased investment on upgrading technology system. Core securities system (Core R6) and new online trading system were successfully launched, which helped enhance clients' experience and progressively adapt better to the market's demand for new products.

Also in the same year, VDS had the honor to receive the award of "The outstanding M&A advisor of Vietnam" for 2019-2020 by the 12th Vietnam M&A forum. This was the acknowledgement for the

effort and contribution of VDSC to Vietnam's stock market.

Ladies and gentlemen,

Our orientation for operation in 2021 is **"Building foundation - Embracing future"**.

In 2021, our stock market is entering maturity stage and gathering factors and opportunities to grow and develop significantly in the next 10-15 years, based on the ambition to fiercely soar of the whole nation.

2021 is the year that VDSC turns 15 on the journey to build and develop, the stepping stone towards the new phase of 2021-2030. With the ambition to thrive, the Board of Directors of VDSC has established the new vision to construct **Viet Dragon Securities Corporation to be one of the leading, most modern and effective financial institutions of Viet Nam by 2030**. Our mission for the new development phase will be to create an ecosystem of finance and investment for enterprise community and investors in Vietnam by being creative, providing financial solutions, tools and suitable investment product, so as to bring the best results to our clients. Starting 2021, VDSC has to make significant effort to build solid foundation on the ground of extensive and powerful digital transformation, in order to actively seize and build bright future for the Company from brand new development opportunities of the nation, of the economy and Vietnam's stock market.

On behalf of Board of Leaders and all members of Viet Dragon Securities Corporation, I would like to thank our Shareholders, Clients, Partners and Regulators for your belief, companion, support and help towards our Company for the past years. On the journey ahead, it is our hope to continually have your trust, companionship and support.

Wish you health, success, prosperity and happiness.

Thank you very much.

"Our mission for the new development phase will be to create an ecosystem of finance and investment for enterprise community and investors in Viet Nam by being creative, providing financial solutions, tools and suitable investment product, so as to bring the best results to our clients. "

Chairman



Nguyen Mien Tuan





CHAPTER 1 OVERVIEW ON VIET DRAGON SECURITIES CORPORATION

- **BUSINESS**
- **VISION - MISSION - CORE VALUES**
- **DEVELOPMENT JOURNEY**
- **AWARDS AND ACHIEVEMENTS**
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GENERAL INFORMATION

Viet Dragon Securities Corporation (Viet Dragon) was founded in December 2006 with founders being leading financial and trading institutions in Vietnam including Vietnam Export – Import Commercial Joint Stock Bank (Eximbank), Saigon Trading Group (Satra), Viet Dragon Fund Management Company (VDFM) and Saigon Asia Financial Investment Group, together with trusted, experienced specialists in Vietnam securities market.

Name of Corporation: Viet Dragon Securities Corporation ("VDSC").

Established: 21st December 2006

Charter Capital (On 31st December 2020): VND 1,000,999,060,000

Head quarter: 141 Nguyen Du, Ben Thanh Ward, District 1, Ho Chi Minh City, Viet Nam

Website: www.vdsc.com.vn

Tel: (+84) 28 6299 2006

Fax: (+84) 28 6291 7986

Staff (as of 31st December 2020): 266 Persons.

BUSINESSES

Viet Dragon Securities Corporation (Viet Dragon) is among the leading securities companies in Vietnam's financial market, operating in all securities segments including:

-  Securities Brokerage;
-  Financial Advisory and Securities Investment Advisory;
-  Proprietary Trading;
-  Issuance Underwriting;
-  Securities Depository;
-  Derivatives and Clearing and payment of derivatives transactions



VISION – MISSION – CORE VALUES

VISION

To become one of the leading, most modern and effective financial institutions in Vietnam.

MISSION

For customers: Successfully creates an ecosystem of finance and investment for the Vietnamese business community and investors by creating and providing leading solutions, financial instruments and suitable investment products, which yield highest efficiency for customers through excellent operating system and customer service;



For employees: Viet Dragon wishes to build a humane and dynamic working environment and corporate culture, attracting capable and enthusiastic personnel to cooperate and work, to grow, to develop careers and create a prosperous future;



For shareholders/investors: Successfully builds an effective system/business model, which significantly increase the value of the investment of Viet Dragon's shareholders/investors;



For the financial market and Vietnam economy: Viet Dragon wishes to make a positive, proactive and effective contribution to the development of the financial market and the economy of Vietnam;



For the community: Viet Dragon is always a responsible member and wishes to share its development achievements to the community and society.



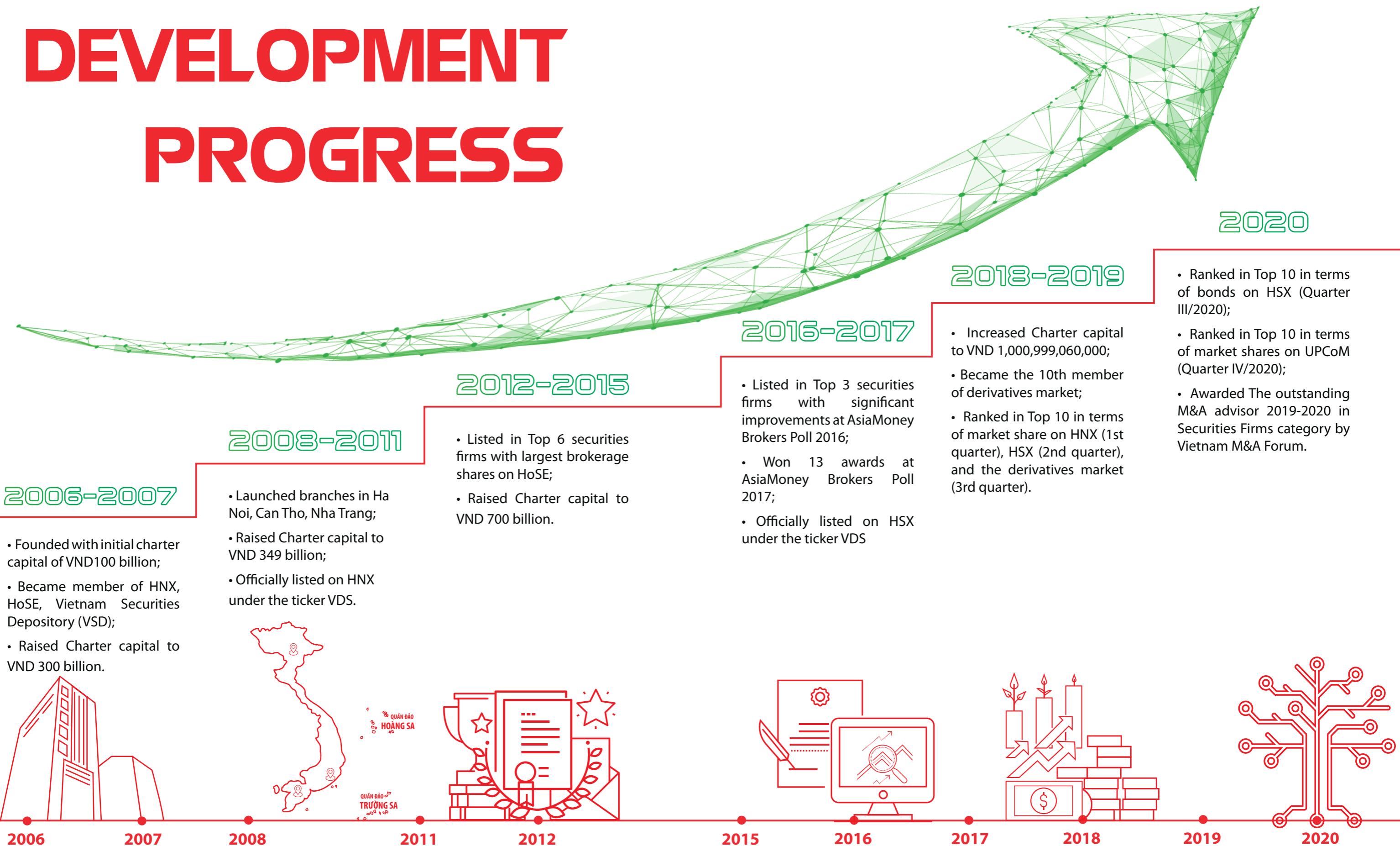
CORE VALUE

“All members of Viet Dragon engage in maintaining core values of company and take them as compass for all activities”





DEVELOPMENT PROGRESS





TITLES

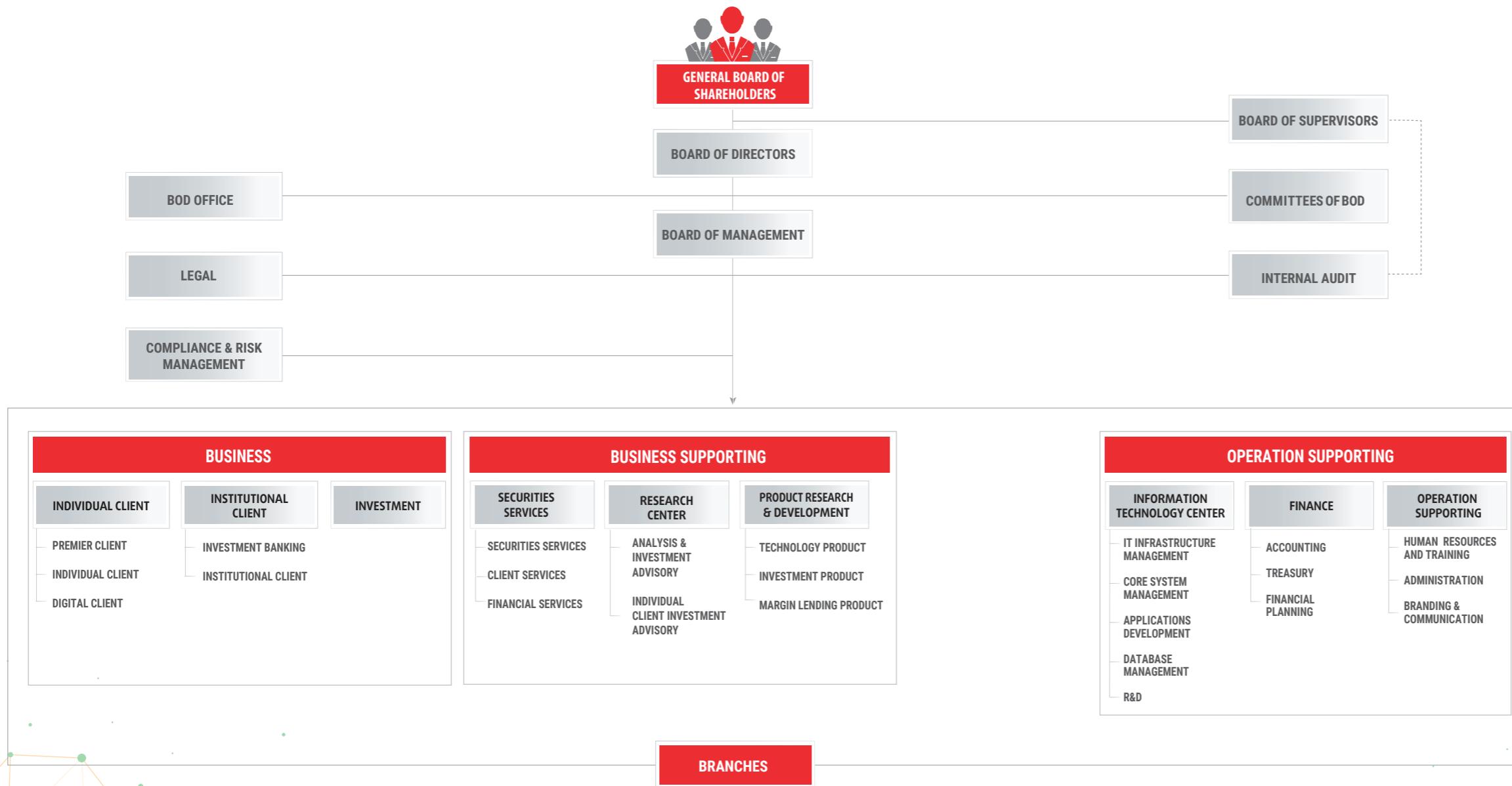


AWARD

THE OUTSTANDING M&A ADVISOR 2019-2020 IN SECURITIES FIRMS
CATEGORY BY VIETNAM M&A FORUM



ORGANIZATION





KEY PERSONNEL

BOARD OF DIRECTORS



Mr. NGUYEN MIEN TUAN
Chairman

Mr. Tuan holds a Master's degree in Finance and Banking from HCMC Economics University and has 20 years of experience in investment, banking, securities and the capital market in Vietnam. He used to work for Ho Chi Minh Stock Exchange. After that, he took the role of Head of Investment at Sacombank.

Mr. Nguyen Mien Tuan is one of Viet Dragon's founding shareholders and has been through various important positions in the Company. Mr. Tuan was a member of Board of Directors cum General Director in the 2006 - 2012 term. In September 2012, he was entrusted to be Chairman for 2012-2016 term. On 28th October 2015, Mr. Tuan resigned as Chairman and was voted to be Vice Chairman. He was re-elected as Chairman on 28th May 2020.

In addition, he is also the Vice-Chairman of the Sacombank.



Mrs. PHAM MY LINH
Member of Board of Directors

Mrs. Pham My Linh is currently the General Director of Hoang Trieu Co., Ltd.

Mrs. Linh was officially elected as Member of Board of Directors for the 2017 – 2021 term in March 2017.



Mr. NGUYEN THUC VINH
Member of Board of Directors

Mr. Vinh has years of experience working in financial field and has been through various important positions in leading banks such as: Head of Planning and Investment, Managing Director at Sacombank; Vice General Director at Eximbank. Mr. Vinh is currently Vice Chairman of Viet Dragon Fund Management (VDFM) and Chairman of Sacombank Laos.

Mr. Vinh has accompanied Viet Dragon from the early time. He is always a key and active member of Board of Directors and Board of Supervisors through the terms. From 28th May 2020, he resigned from Board of Supervisors and was elected as a Member of the Board of Directors of Viet Dragon Securities Corporation.

Mr. Vinh has a Master's degree in Finance from the University of New South Wales – Australia.



KEY PERSONNEL

BOARD OF DIRECTORS



Mr. NGUYEN HIEU
Member of Board of Directors

Mr. Nguyen Hieu has over 21 years of working in financial and securities market.

Before joining VDSC, Mr. Hieu worked in Sai Gon Joint Stock Commercial Bank (Sacombank), Vietinbank Securities (HCM-IBS) and served as Head of Brokerage Department at Hochiminh Securities Corporation (HSC).

Joining Viet Dragon in its very first days as Vice General Director, General Director, Mr. Hieu has contributed greatly to the development and expansion of the Company. He was appointed a BOD member on March 15th, 2014.

Mr. Hieu has a Master's degree in International Business from the Curtin University of Technology - Australia.



Mrs. NGUYEN THI THU HUYEN
Member of Board of Directors
cum General Director

Mrs. Nguyen Thi Thu Huyen has nearly 20 years working in the field of Finance and Securities market. Prior to joining Viet Dragon, Mrs. Huyen had worked at Vietinbank Securities.

Onboarding Viet Dragon Securities Corporation (VDSC) since the early days of 2007, she contributed to the Company through crucial positions, namely Trading Department Manager, Vice Director of Securities Services Division, Director of Securities Services Division, and Deputy General Director of VDSC. She was appointed General Director of the Company on 8th February 2021 and was elected a Member of the Board of Directors of Viet Dragon from 07th April 2021.

Mrs. Huyen has a Master's degree in Finance – Banking from the National Economics University.



Mr. NGUYEN QUOC BAO
Member of Board of Directors

Mr. Nguyen Quoc Bao is currently Chairman of Thanh Cong Mobile JSC and holds other positions such as: Chairman of DT24.vn JSC, President of Vietnam Young Entrepreneurs Association's Golf Club, President of Vietnam Real Estate Club and President of Ho Chi Minh City Real Estate Club.

Mr. Bao was officially elected as a Member of the Board of Directors for the 2017-2021 term from 28th March 2018.

Mr. Bao graduated with a Master of Business Administration.



Mrs. HOANG HAI ANH
Member of Board of Directors

Mrs. Hoang Hai Anh has been holding key positions in many institutions such as: Vice Chairwoman of Vietnam Association of Securities Business (VASB), Vice Chairwoman in charge of finance cum Arbitrator in Hanoi International Arbitration Center (HIAC), Vice General Director of North East Technology Development and Investment Joint Stock Company, and Director of Dang Quang Nano Farm Joint Stock Company and Vice Chairwoman of BDA.SC Joint Stock Company.

She was elected as a Member of the Board of Directors of Viet Dragon from 28th May 2020 for 2017-2021 term.

Mrs. Hoang Hai Anh graduated from National Economics University with a degree in Finance and Banking. She has Master's degrees in Business, and Business Law.



KEY PERSONNEL

BOARD OF SUPERVISORS



Mr. HO TAN DAT
Chief Supervisor

Mr. Ho Tan Dat has over 20 years working in the field of Finance and Banking. Previously, he worked as Head of Corporate Finance Advisory Department, Director of Investment Banking Division of VDSC. Mr. Ho Tan Dat is currently a specialist in the BOD Office of Sacombank.

He was elected as Chief Supervisor for the 2017 – 2021 term since 28th May 2020.

Mr. Ho Tan Dat has Master's degree in Business Administration and a Bachelor's degree in Finance.

Mr. NGUYEN VAN MINH
Member of the Supervisory Board

Mr. Nguyen Van Minh has been working in the financial area for more than 22 years. Mr. Minh is currently Deputy Head of BOD Office of Sacombank and Member of BOD of Ba Ria Vung Tau International Tourist Service Joint Stock Company.

He joined VDSC's Board of Supervisors in March 2010 and was entrusted as Chief Supervisor for the 2012-2016 term. From 28th October 2015, he resigned from Chief Supervisor position and was elected as a Member of the Supervisory Board for the 2017 – 2021 term since 23rd March 2017.

He has a Bachelor's degree in Economic.

Mrs. NGUYEN THI THUY HANG
Member of the Supervisory Board

Mrs. Nguyen Thi Thuy Hang is Head of Client Services Department – Institutional Client Division.

She has over 13 years of working experience in the stock market. Previously, she worked as Vice Manager of Securities Services Department at Saigon Branch and Supervisor of the Financial Services Department, Vice Manager of the Institutional Client Division at VDSC.

She was elected as a Member of the Supervisory Board for the 2017 – 2021 term since 28th May 2020.

Mrs. Hang graduated from HCMC Economics University with a Bachelor of Accounting and Auditing.



KEY PERSONNEL

BOARD OF MANAGEMENT

**Mrs. NGUYEN THI THU HUYEN**

Member of Board of Directors
cum General Director

**Mr. LE MINH HIEN**

Vice General Director
cum Chief Financial Officer

**Mr. TRAN THANG LONG**

Managing Director
cum Director of Hanoi Branch

**Mr. NGUYEN HAC HAI**

Managing Director (in charge) of
Investment Division

Mrs. Nguyen Thi Thu Huyen has nearly 20 years working in the field of Finance and Securities market. Prior to joining Viet Dragon, Mrs. Huyen had worked at Vietinbank Securities.

Onboarding Viet Dragon Securities Corporation (VDSC) since the early days of 2007, she contributed to the Company through crucial positions, namely Trading Department Manager, Vice Director of Securities Services Division, Director of Securities Services Division, and Deputy General Director of VDSC. She was appointed General Director of the Company on 8th February 2021 and was elected a Member of the Board of Directors of Viet Dragon from 07th April 2021.

Mrs. Huyen has a Master's degree in Finance – Banking from the National Economics University.

Mr. Le Minh Hien has over 20 years of experience in finance and accounting. Prior to joining Viet Dragon, he was the Vice Head of Accounting Department of Samsung Vina Electronics Company Limited.

Mr. Hien was the Chief Accountant of VDSC since its establishment and was appointed CFO in 2014. He was appointed Deputy General Director cum Chief Financial Officer of Viet Dragon Securities Corporation (VDSC) on 8th February 2021.

Mr. Hien has a Master's degree in Accounting from HCMC Economics University.

Mr. Tran Thang Long was appointed Managing Director cum Director of Hanoi Branch of VDSC in March 2021. Mr. Long has been Director of Hanoi Branch since March 2014.

With many years of experience in insurance and finance, Mr. Long has made important contributions in building Viet Dragon's brand and strong team at Hanoi Branch.

Before joining Viet Dragon, Mr. Long had worked for Petrolimex Insurance Joint Stock Company for a long time and held various management positions.

Mr. Long holds a Master's degree in Economics, majoring in Finance and Monetary Circulation, Hanoi National Economics University.

Mr. Nguyen Hac Hai was appointed Managing Director (in charge) of Investment Division of VDSC in March 2021. Before that, Mr. Hai took the roles of Investment Analyst & Advisory Director, then Investment Director of Viet Dragon.

With over 14 years of experience in Vietnam securities market, he played a crucial role in setting up the company's Research Department as well as investment advisory and research products.

Before joining Viet Dragon, Mr. Hai was an Investment Specialist of Sacombank and then Investment Manager of Viet Dragon Fund Management.

He has a Master's degree in Economics of Banking and Finance from CFVG HCMC and is a CFA charter holder.



KEY PERSONNEL

BOARD OF MANAGEMENT



Mr. PHAM TAN TIEN

Managing Director (in charge) of Investment Banking Division

Mr. Pham Tan Tien was appointed Managing Director (in charge) of Investment Banking Division of Viet Dragon in March 2021.

Joining Viet Dragon in the early days, Mr. Tien has been through positions such as Deputy manager and Manager of Corporate Finance Advisory Department, and Director of Investment Banking Division.

Before onboarding Viet Dragon, Mr. Tien had many years of experience in Accounting – Audit and investment analysis in domestic firms.

He has a Master's degree in Finance – Banking from Ho Chi Minh City Open University.

Ms. NGUYEN NGOC VAN PHUONG

Managing Director (in charge) of Operations Supporting Division

Ms. Nguyen Ngoc Van Phuong was appointed Managing Director (in charge) of Operations Supporting Division cum Chief Personnel Officer of Viet Dragon Securities Corporation in March 2021.

Ms. Phuong has been working at Viet Dragon since August 2017 and has over 14 years of experience in Human Resources Management as Vice Director of HR, Head of HR Department at TAFICO company, International School of Business (ISB)... She took the positions of HR Manager, then Chief Personnel Officer at Viet Dragon.

She has a Master's degree in Advanced Business Administration from University of Québec Montreal – Canada.

Mr. LE VUONG HUNG

Director of Individual Client Division A

Mr. Le Vuong Hung was appointed Director of Individual Client Division A of Viet Dragon Securities Corporation in November 2013.

Joining VDSC in the early days, Mr. Hung has been in charge of positions crucial for business development activities such as Brokerage Manager and Vice Director of Brokerage Division.

Before his being with the company, Mr. Hung worked for Vietnam Export and Import Joint Stock Commercial Bank (Eximbank) and Saigon Newport Corporation.

Mr. Hung is a Master of Economics of HCMC Economics University, with major in Finance – Banking.

Mr. PHAM PHONG THANH

Director of Individual Client Division B

Mr. Pham Phong Thanh officially took the position of Director of Individual Client Division of Viet Dragon Securities Corporation in January 2018. Mr Thanh is also a member of the Board of Directors of Nuoc Trong Hydro - Power Joint Stock Company.

Mr. Thanh has joined Viet Dragon since 2007. Since then he was Brokerage Manager, then Vice Director of Brokerage Division. Prior to Viet Dragon, he was a Member of the Board of Directors of Phuoc Hoa Rubber Joint Stock Company.

He has a bachelor's degree in Business from HCMC Economics University.



KEY PERSONNEL

BOARD OF MANAGEMENT



Mr. NGUYEN ANH VU
Managing Director
Institutional Client Division

Mr. Nguyen Anh Vu was appointed Managing Director – Institutional Client Division of Viet Dragon Securities Corporation from January, 2021.

Mr. Vu has over 8 years of experience in business analysis, operations & strategy. Prior to joining VDSC, he worked for AMP Group (Australia), Vingroup,...

Mr. Vu graduated with a bachelor's degree in Commerce from University of New South Wales, Sydney, Australia and earned a Master's degree in Management Science from Tsinghua University, Beijing, China.



Mr. LAM TRUONG PHONG
Chief Information Officer

Mr. Phong has been working at Viet Dragon since September 2008, he worked as Manager, Vice Director and Director of Information Technology Department.

He has over 15 years of experience in the field of IT, with skills as programmer and project leader.

He graduated with Diploma in Information Systems Management from Bachkhoa Aptech International IT Education System.



Mrs. TRUONG THI THU HANG
Director of Securities Services Division

Mrs. Truong Thi Thu Hang was appointed Director of Securities Services Division in October 2020.

Ms. Hang has over 14 years of experience in the securities sector. Joining Viet Dragon from January 2007, she has been through positions such as Manager of Securities Services Department, Manager of Research & Development Department, Vice Director of Securities Services Division cum Director of Can Tho Branch.

She has a master's degree of CFVG program with major in Business Administration.



Mrs. DUONG KIM CHI
Chief Accountant

Mrs. Duong Kim Chi was appointed Chief Accountant of Viet Dragon Securities Corporation on 08th February 2021.

Mrs. Chi joined Viet Dragon since early 2007 and held positions of Vice Head of Finance-Accounting Department since 2010.

Before Viet Dragon, she was Chief Accountant of Bach Viet Construction Company.

Mrs. Chi graduated from Ho Chi Minh City Economics University with Bachelor's degree in Economics.



CHAPTER 2

BUSINESS OPERATION 2020

- **2020 HIGHLIGHTS**
- **BUSINESS ENVIRONMENT 2020**
 - MACROECONOMICS SITUATION
 - VIETNAM STOCK MARKET
- **2020 BUSINESS REPORT**
 - BUSINESS RESULTS AND FINANCIAL STATUS
 - MAIN BUSINESSES
 - SUPPORTING AND SUPERVISING ACTIVITIES
 - ASSESSMENT ON 2020'S OPERATION



MILESTONES IN 2020

REVENUE

VND **466** billion

exceeded the year plan by

48.98%

increased by

35.83% YoY

EARNINGS BEFORE TAX

VND **192.66** billion

exceeded the year plan by

328.14%

increased by

353.29% YoY



Developed new bonds investment products aiming to help clients diversify the investment portfolio to maximize the return and reduce the risks



Acquired 51% of Viet Long Fund Management Company - a preparation for establishing wealth management business, the largely potential next phase of Vietnam stock market development.



Launched liveDragon Premium, a new price quote exclusively for Viet Dragon clients with many functions enabled by the advanced technology, elevating experience on online platform



Awarded "Outstanding M&A Advisor 2019 - 2020" (Securities Companies category) by the 12th Vietnam M&A forum. This was the 4th consecutive year that Viet Dragon has been honored with this award. It is the pride of the company and a great source of motivation for the efforts of Viet Dragon's members over the years. It is also a proof for the quality and effectiveness of the services that Viet Dragon has been offering to clients.



In terms of bonds brokerage market share on Ho Chi Minh Stock Exchange (HoSE) in 3Q2020.
In terms of securities brokerage on UpCoM market in 4Q2020.



PART 1 – BUSINESS ENVIRONMENT IN 2020

I. MACRO-ECONOMICS SITUATION

The year 2020 was a challenging year as the Covid-19 pandemic affected the Global economy, becoming the largest shock of the 21st century. However, Vietnam has successfully prevented the spread of the pandemic while maintaining a positive economic growth.



Positive shift in economic growth in the 2nd half of 2020



Source: Vietnam Statistics Office, VDSC

Vietnam GDP in 2020 increased by 2.91% mostly thanks to domestic economic activities.

This growth rate was lower than the figure of 7% in 2019, but it was much better compared to the negative growth of 4.3% of the Global economy.



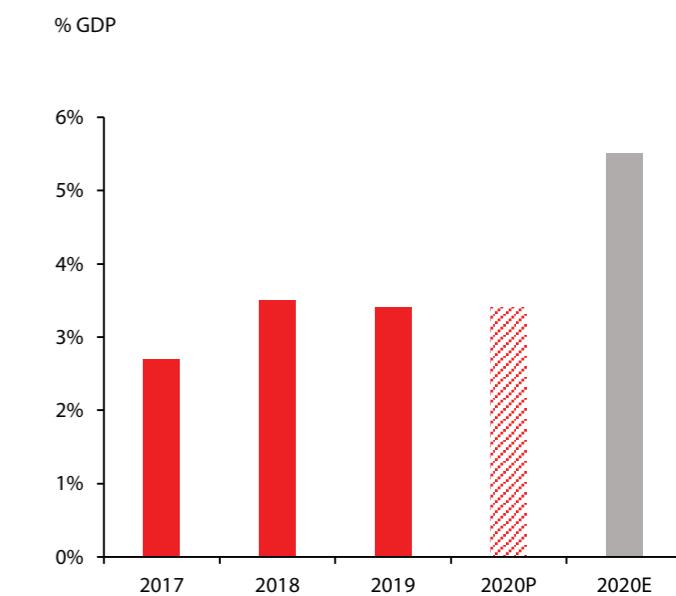
Flexible fiscal and monetary policies were combined to prevent negative impact of the pandemic.

In order to fight the spread of the Covid-19 pandemic, the Government has issued a stimulus package that was worth VND 284,000 billion (4.7% GDP). Measurements taken included:

1. Extension of taxes (VND 180,000 billion);
2. Providing cash to citizens and households that were affected by the pandemic (VND 36,000 billion);
3. Offering loans to companies with the interest rate of 0% for maximum 12 months so that they can pay the workforce and maintain employment (VND 16,200 billion);
4. Allowing enterprises and employees to delay social insurance payment (VND 9,500 billion);
5. Others such as waiving tax for medical equipments, reducing business registration fees, cutting taxes on automobiles by half, etc. By 31st December 2020, over 37% of the package has been carried out in terms of tax break, and another 36% has been distributed as cash support to 13% of the population.

As previously mentioned, the Government also speeded up disbursement of public investment to support the domestic demand. In 2020, the expense for public investment was estimated at VND 558,000 billion (9% GDP, with the figure re-claiming from the previous year was VND 169,000 billion). The much higher investment for public investment and lower tax made the budget deficit increase to 5.5%-6.0% GDP in 2020.

Budget Deficit increased sharply due to Covid-19



Source: Vietnam Statistics Office, VDSC

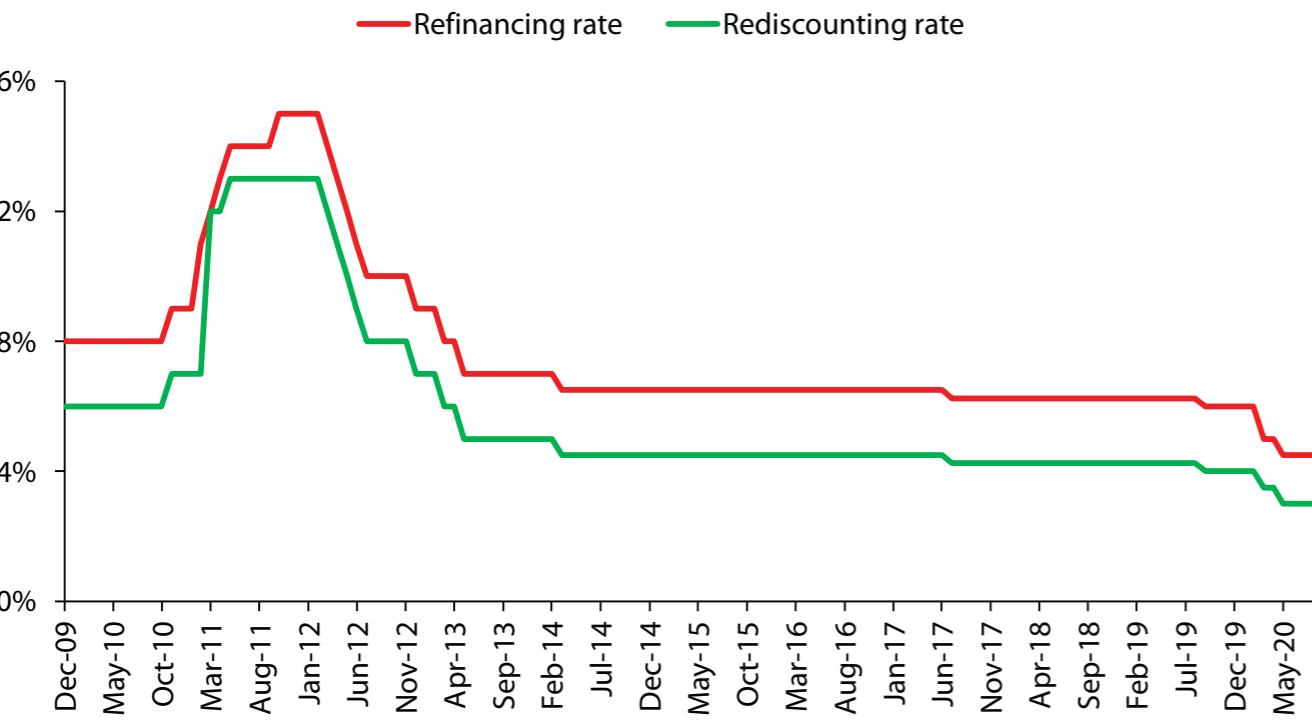
In terms of monetary policy, the State Bank of Vietnam (SBV) has cut the regulating interest rate by 200bps in order to support the economy, bringing the refinancing rate to 4% per annum. The SBV also issued documents to guide commercial banks to restructure their lendings by adjusting terms, reducing / waiving interests for enterprises that are affected by the pandemic. By the end of December 2020, the banking system has lent VND 2,300 billion with a lower interest rate compared to that of the previous year and supported nearly 860,000 clients to extend their loans as well as extended and reduced interest on current loans and new loans (total value over VND 1,355 billion). The demand for capital was affected by the pandemic, but recovered strongly in the last quarter of 2020. The credit growth rate in 2020 was 12.1%, slightly lower than the figure of 13.6% in 2019. Flexible monetary policy and regulations allowing commercial banks to restructure their loans have contributed to the stability of the macroeconomic situation as well as supported enterprises and the stock market.



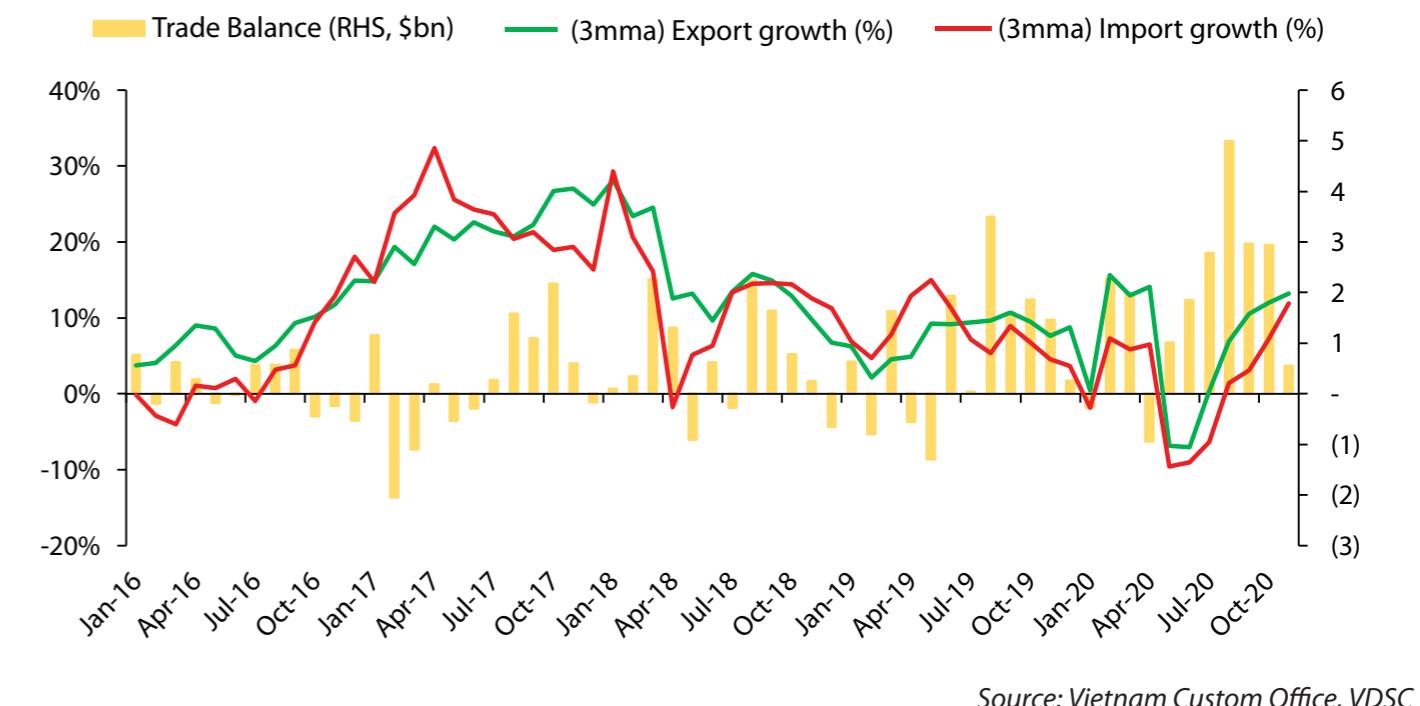
PART 1 – BUSINESS ENVIRONMENT IN 2020

I. MACRO-ECONOMICS SITUATION

Interest rate reached a record low in 2020



Trade surplus increased sharply amid the pandemic

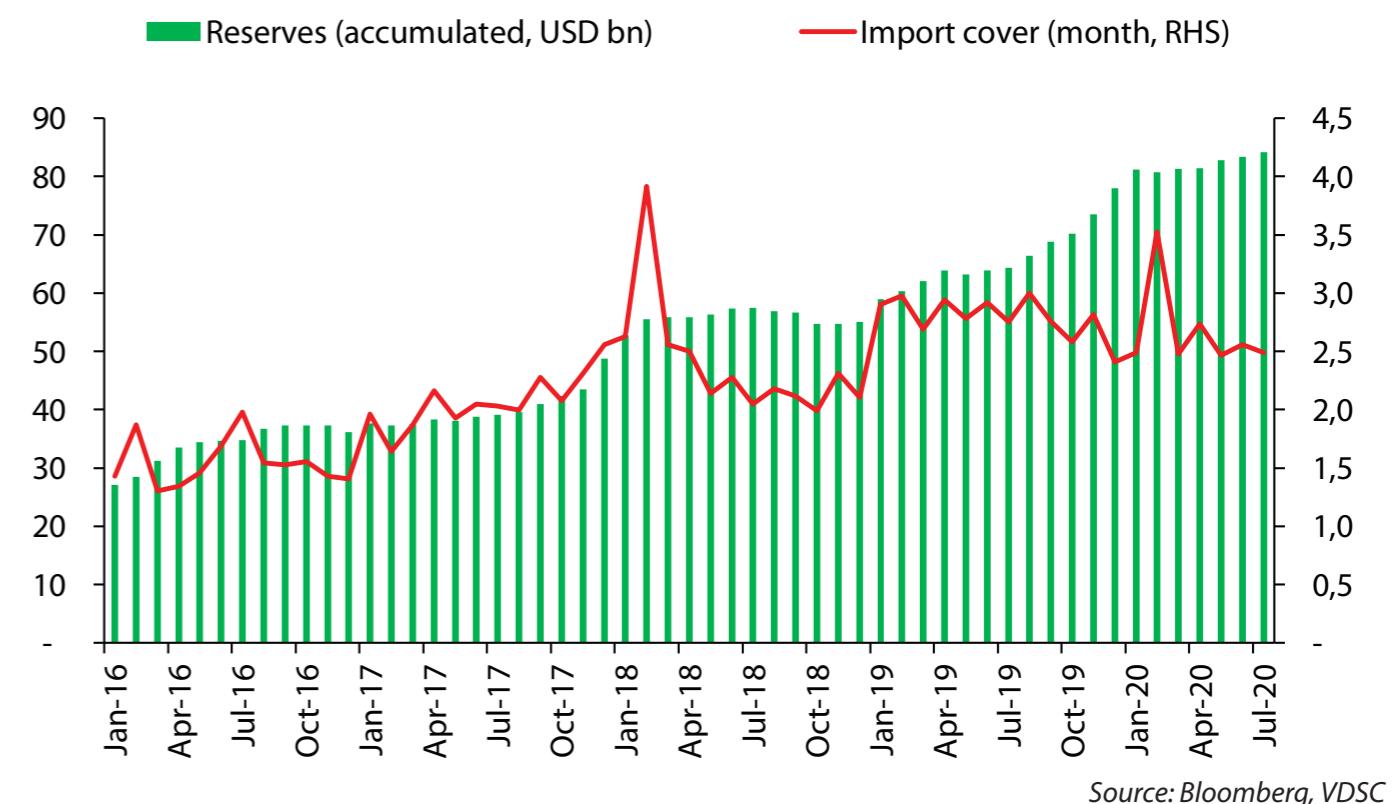


Despite being a considerably open economy, the external shock did not have a significant impact on Vietnam.

The pandemic created a significant decrease in the Global demand; however, Vietnam export remained solid (+7% YoY). Thanks to the higher demand for high-tech products during the pandemic, computer and electronics, which accounted for over 1/3 of Vietnam export, recorded a positive growth (8.9% YoY). Meanwhile, export dropped significantly for other goods as the demand were affected by the pandemic. Exports of garments dropped by 9.3% YoY while exports of bags & luggage even dropped deeper (-16.5% YoY). Import slightly increased by 3.7% YoY partially due to input materials for manufacturing. The result was a better outcome for Vietnam trade balance. In 2020, the trade surplus reached USD 20 billion (~7.4% GDP), nearly double the figure of last year.

Due to the effect of the economic crisis, the Foreign Direct Investment (FDI) was forecasted to fall by 40% YoY. However, the FDI inflow to Vietnam remained solid with USD 28.53 billion in 2020 (only lower by 2.4% YoY). The surplus remained positive as the trade surplus increased and the FDI was relatively stable. This helped the Government to accumulate more foreign currencies. The foreign reserve was expected to increase by USD 21 billion in 2020, reaching USD 100 billion (~4 months worth of import). The pandemic has severely affected the demand around the Globe, but the import and export of Vietnam still grew.

Foreign reserve reached a record height in 2020





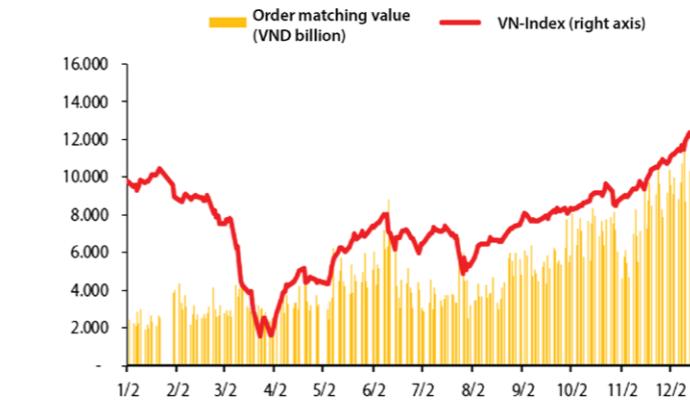
PART 1 – BUSINESS ENVIRONMENT IN 2020

II. VIETNAM STOCK MARKET

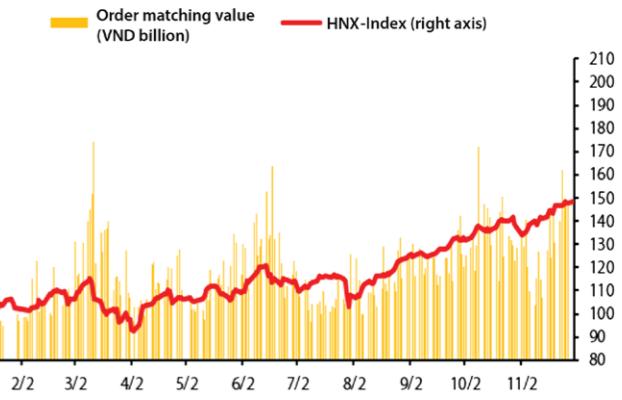


The year 2020 can be considered the most volatile year in the history of Vietnam stock market. The indices fluctuated strongly in response to the progress of the Covid-19 pandemic, but ended the year beyond any expectation.

VN-Index Movement YTD



HNX-Index Movement YTD



Indices

VN-Index closed at **1,103.87 points** (+15% YoY) and up by 67% compared to the bottom of 660 points on 24th March 2020. HNX-Index closed at **203.12 points** (+98% YoY) and UPCoM-Index closed at **74.45 points** (+31.6% YoY).



Market liquidity

The lower interest rate helped increase the market liquidity by a significant volume. The average liquidity was around **VND 7,435/session** (+60% YoY). Especially, in November and December 2020, the average liquidity was around **VND 10,000 billion** and **VND 14,800 billion per session**.

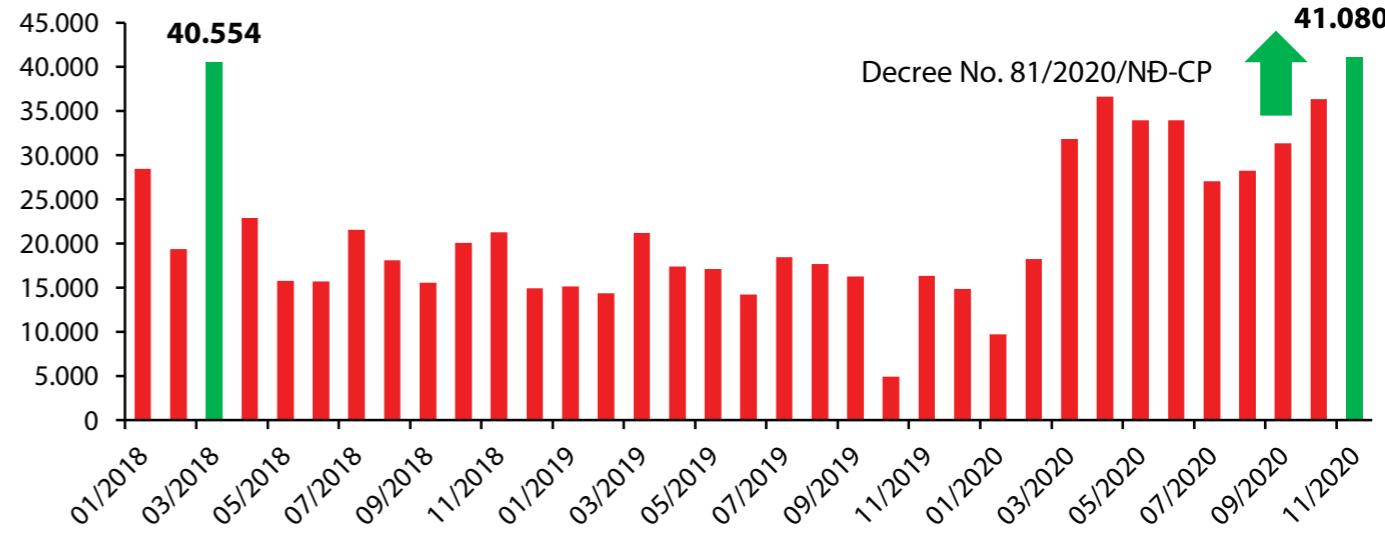


Market size

Number of newly opened accounts in 2020 reached a record of nearly **400,000 accounts**, increasing the total number of trading accounts on the market to **over 2.73 million**. The market capitalization reached **84.3% GDP**. In 2020, it was estimated that enterprises were able to acquire **VND 384,000 billion** worth of capital from the stock market.

The number of newly opened accounts reached a new record

1. Fed increased interest rate 4 times in 2020
2. US- China trade war



1. SBV lowered regulating interest rate 3 times
2. Fed planned to keep interest rate at 0%
3. Gold tended to decrease since September

Decree No. 81/2020/NĐ-CP



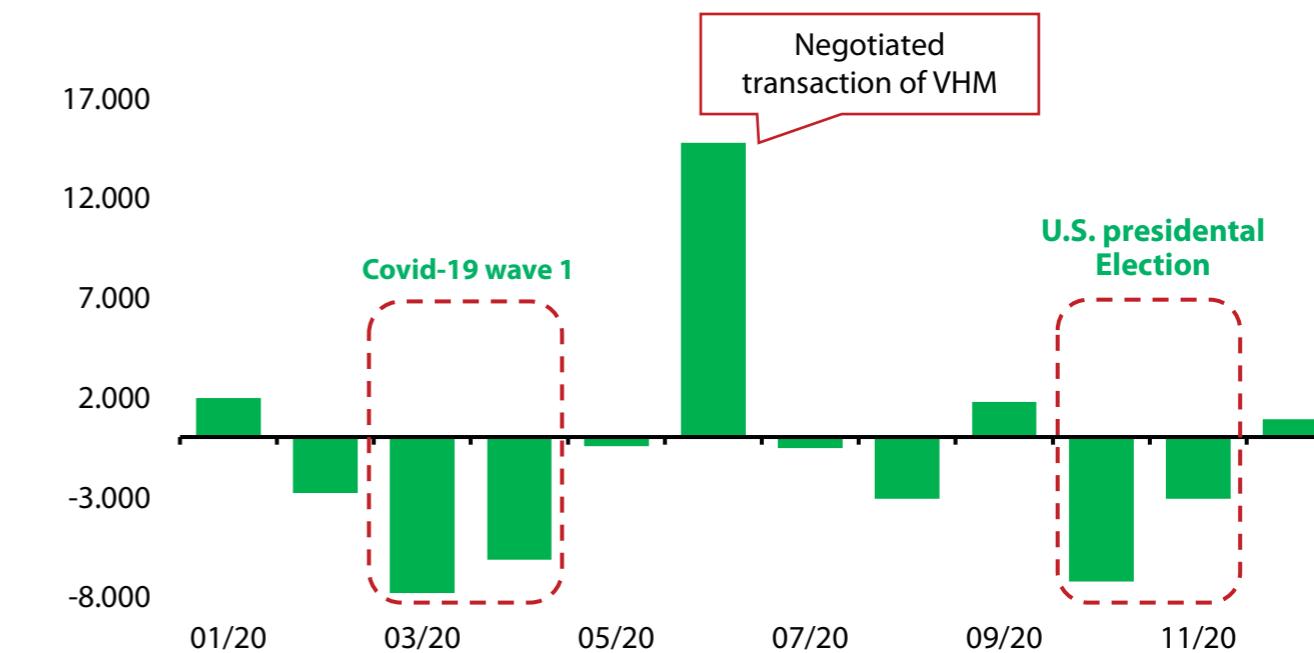
PART 1 – BUSINESS ENVIRONMENT IN 2020

II. VIETNAM STOCK MARKET

The major trend of foreign investors remained to be net selling in 2020. The net sell volume was the largest in the last 04 years. The complicated development of world events such as the Covid-19 pandemic or the US Election increased the perceived risks regarding frontier markets such as Vietnam when the common sentiment of foreign investors was to reduce investments to lower the risk of worldwide scale events and shift to safer assets such as stocks and bonds on more developed markets. In 2020, foreign investors net sold on the listed board but net bought on the put through board. The most significant was the purchase of VHM in June 2020 with the total value of VND 14,170 billion. This showed that foreign investors have become more selective in terms of investment.

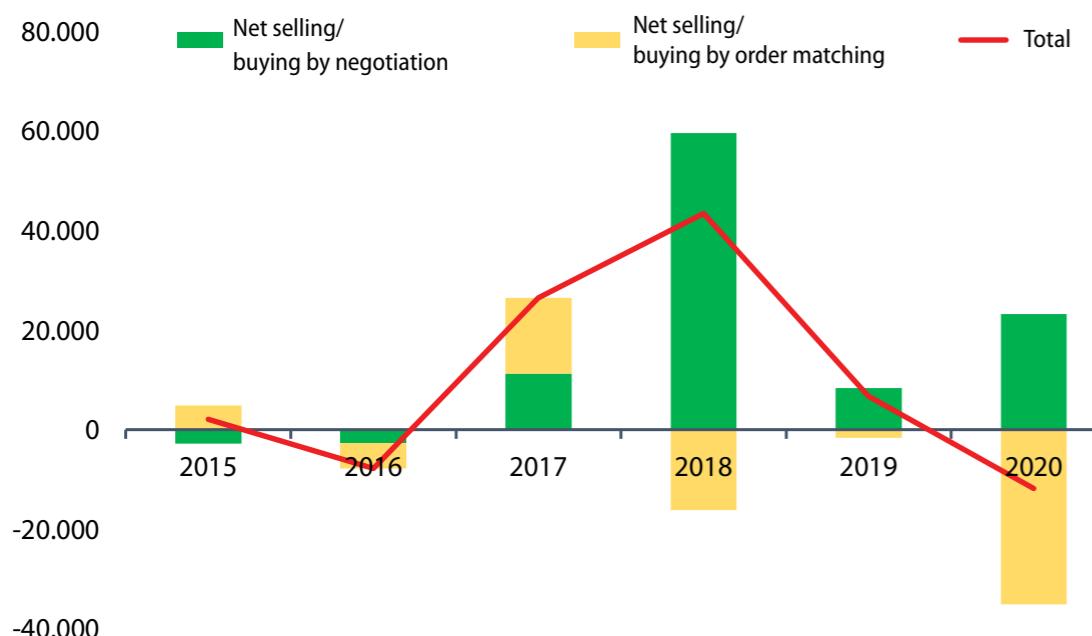


Foreign Trading Activities per month (VND billion)



Source: Fiinpro, VDSC

Foreign Trading Activities (VND billion)



Source: Fiinpro, VDSC

The trend to shift listing from HNX and UPCoM to HSX and the listing of major commercial banks were strong in 2020. Large enterprises that were worth billion of US dollars such as ACB, GVR, BCM, POW, VIB... helped boost the market and make it more attractive to investors.



PART 2 – BUSINESS RESULTS OF 2020

I. BUSINESS RESULTS & FINANCIAL STATUS

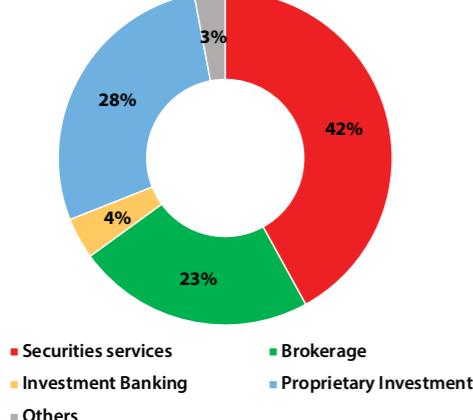


BUSINESS RESULTS

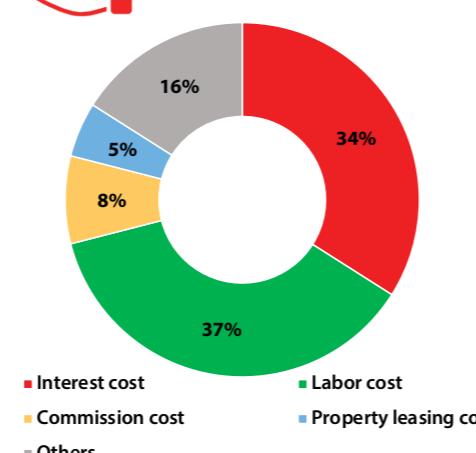
In 2020, Viet Dragon business activities yielded outstanding results. Total revenue reached VND 466 billion (+35.83% YoY) and exceeded the year plan by 48.98%. Earnings before tax reached VND 192.66 billion and Profit after tax reached VND 150 billion (+333.25% YoY) and exceeded the year plan by 416.95%. This was the highest profit that Viet Dragon has ever achieved since its establishment.

Item (VND billion)	Plan	Result 2020	% Result/ Plan	2019	+/(-) %
Total Revenue	313.00	466.32	148.98%	343.32	35.83%
Brokerage	77.00	106.57	138.41%	77.24	37.98%
Securities Services	199.00	197.58	99.29%	231.70	(14.72%)
Proprietary Trading	20.00	128.14	640.72%	17.26	642.27%
Investment Banking	5.00	18.48	369.65%	2.51	637.00%
Others	12.00	15.53	129.43%	14.61	6.34%
Total Expense	268.00	273.65	102.11%	300.82	(9.03%)
Total Earnings before Tax	45.00	192.66	428.14%	42.50	353.29%
Corporate Income Tax	9.00	42.56	472.89%	7.86	441.62%
Profit after Tax	36.00	150.10	416.95%	34.65	333.25%

Revenue Structure 2020



Expense Structure 2020



VND		31/12/2019	31/12/2020	+/(-) %
A	SHORT-TERM ASSETS	2,245,757,277,083	2,514,895,660,024	12.0%
I.	Financial Assets	2,243,543,455,396	2,511,954,686,741	12.0%
II.	Cash & Cash Equivalents	2,213,821,687	2,940,973,283	32.8%
B	LONG-TERM ASSETS	53,788,230,614	53,459,927,125	(0.6%)
I.	Fixed Assets	18,982,269,642	19,168,541,889	1.0%
II.	Other Long-term assets	34,805,960,972	34,291,385,236	(1.5%)
TOTAL ASSETS		2,299,545,507,697	2,568,355,587,149	11.7%
A	PAYABLES	1,254,101,248,536	1,402,839,017,010	11.9%
I.	Short-term payables	1,253,304,856,662	1,390,463,539,965	10.9%
II.	Long-term payables	796,391,874	12,375,477,045	1,453.9%
B	OWNER'S EQUITY	1,045,444,259,161	1,165,516,570,139	11.5%
TOTAL PAYABLES & OWNER'S EQUITY		2,299,545,507,697	2,568,355,587,149	11.7%



PART 2 – BUSINESS RESULTS OF 2020

I. BUSINESS RESULTS & FINANCIAL STATUS

FINANCIAL STATUS

Comparing to the end of 2019:



Assets Structure : Total Assets reached **VND 2,568 billion** (+11.7% YoY), in which:

- Lending (Margin & Advance) reached **VND 1,410 billion** (-11% YoY);
- Investments (Stocks & Corporate Bonds) reached **VND 497 billion** (+46% YoY);
- Cash & Cash Equivalents reached **VND 582 billion** (+94% YoY)



Capital Structure

- Payables (mostly corporate bonds issued by Viet Dragon) reached **VND 1,390 billion (+10.9%)**;
- Owner's Equity reached **VND 1,166 billion (+11.5% YoY)**

Based on the Resolution of the BOD on 30th December 2020, the Company deducted **VND 30 billion** from PAT to pay advanced cash dividends at **3%**. The Company completed the payment on 28th January 2021.

In 2020, Viet Dragon continued to maintain all financial ratios at a good level. Specifically, the CAR was 638%, much higher than the required level of 180% set by the Ministry of Finance (MoF). **ROE** was **13.58%**, 4 times that of the previous years. All safety ratios were closely monitored in order to comply with regulations from the authorities.

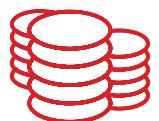
	2019	2020	+/(-) %
Assets Structure			
Short-term assets / Total assets	97.66%	97.92%	0.26%
Long-term assets / Total assets	2.34%	2.08%	(11.01%)
Capital Structure			
Payables / Total Assets	54.54%	54.62%	0.15%
Owner's Equity / Total Assets	45.46%	45.38%	(-0.18%)
Profitability			
Return on Assets (ROA)	1.64%	6.17%	276.65%
Return on Equity	3.21%	13.58%	322.55%
PAT / Charter Capital	3.46%	15.00%	333.25%
PAT / Gross Revenue	10.44%	33.03%	216.46%
Earnings Per Share EPS (VND)	346	1,500	333.25%
Safety Ratios			
Capital Adequacy Ratio (CAR)	732	638	(6.8%)
Total Debts / Owner's Equity	1.20	1.20	25.9%
Short-term Debts / Short-term Assets	0.56	0.55	(10.9%)
Residual value of fixed assets / total assets	0.83%	0.75%	(15.2%)



PART 2 – BUSINESS RESULTS OF 2020

II. MAIN BUSINESSES

01 BROKERAGE



Trading Value

The total trading value through Viet Dragon reached **VND 58,900 billion**, the average trading value per session reached **VND 234.6 billion**, up **19.2%** compared to last year and **33.7% higher** than the year plan (**VND 175,4 billion/trading session**).

■ Trading value/session-all market ■ Trading value/session-VDSC



Market share

Outstanding achievements: Viet Dragon was in the **top 10** (9th place) of HSX bond brokerage market share in **Quarter III/2020** and **top 10** (7th place) of UPCoM brokerage market share in **Quarter IV/2020**.

Market share	Plan	Result 2020	% Result/Plan	2019	+/(-) %
Market share	1.75%	1.56%	89.31%	2.10%	(25.59%)
HSX	1.73%	1.41%	81.75%	2.01%	(29.75%)
HNX	1.58%	1.62%	102.37%	2.43%	(33.38%)
UPCoM	2.45%	3.70%	150.92%	2.82%	31.05%



Brokerage results

Revenue from brokerage in 2020 reached VND 106.6 billion, completed **38.4%** beyond the year plan and increased **38%** compared to 2019.

Target (VND billion)	Plan	Result 2020	% Result/Plan	2019	+/(-) %
Revenue	77.0	106.6	138.4%	77.2	38.0%
Operating costs	74.5	73.9	99.2%	73.4	0.6%
Gross profit	2.5	32.7	1,285.8%	3.8	761.6%

02 SECURITIES SERVICES

In 2020, the total revenue from securities services was **197.58 billion VND**, accomplishing 100% of the plan, continued to be the main source of revenue, accounting for **42%** company's revenue. With a highly competitive market place, securities companies involving foreign elements provided margin loans with very low interest rates, leading to **8%** decrease in Viet Dragon's average annual margin balance of the year compared to last year. However, in order to limit risks for both the Company and investors, Viet Dragon has always maintained a prudent lending policy and continued to focus on improving service and product quality. The good news was Viet Dragon's securities services remained safe, although Vietnam stock market fluctuated considerably during the year, with sharp slumps in March 2020, causing the pressure on mortgage selling to increase.

In 2020, the total revenue from securities services
197.58 billion VND
accomplishing 100% of the plan

accounting for 42% company's revenue

Average annual margin balance ↓8%

Target (VND billion)	Plan	Result 2020	% Result/Plan	2019	+/(-) %
Revenue	199.00	197.58	99.29%	231.70	(14.7%)
Operating costs	96.84	116.11	119.90%	131.47	(11.7%)
Gross profit	102.16	81.47	79.75%	100.23	(18.7%)



PART 2 – BUSINESS RESULTS OF 2020

II. MAIN BUSINESSES

03

INVESTMENT BANKING (IB)

Target (VND billion)	Plan	Result 2020	% Result/Plan	2019	+/(-) %
Revenue	5.00	18.48	369.7%	2.51	637.0%
Operating costs	11.13	10.87	97.7%	10.00	8.7%
Gross profit	(6.13)	7.61	-	(7.50)	201.5%

Investment banking markedly developed in the field of capital arrangement and bond issuance underwriting consultancy via consulting and arranging capital for important customers such as Novaland, KIDO Group. Regarding Mergers & Acquisitions (M&A) advisory, in 2020, Viet Dragon successfully completed two typical deals: consulting the merger of Kido Food (KDF) into Kido Group (KDC) and consulting Stada Group to acquire more than 25% shares of Pymepharco Joint Stock Company to increase the ownership rate to over 95%. The above outstanding results of investment banking activities helped Viet Dragon for the fourth consecutive year to honorably receive the award "The outstanding M&A Advisory Firm in Vietnam" in 2019-2020 from Vietnam M&A Forum for the 12th time.

04 INVESTMENT

With the market being so eventful in the second half of 2020, Viet Dragon's investment activities took advantage of opportunities to seek profits. By the end of 2020, this activity recorded revenue of VND 128.14 billion, reached 641% of the year plan and exceeded 642% YoY. On average investment capital, the return on Viet Dragon's investment activities in the year reached 40%, much higher than the growth rate of 15% of VN-Index

Target (VND billion)	Plan	Result 2020	% Result/Plan	2019	+/(-) %
Revenue	20.00	128.14	640.7%	17.26	642.3%
Costs	19.07	(1.06)	(5.5%)	23.87	(104.4%)
Gross profit	0.93	129.20	13,847.7%	(6.61)	2,054.9%

III. OTHER ACTIVITIES



INFORMATION TECHNOLOGY (IT) ACTIVITIES

Viet Dragon Securities Corporation's Core transaction system has constantly been expanded and developed to meet the demand of new products in the market. The highlight in 2020 was the completion of the upgrade of the Core system and its satellite systems. With the support and collaboration between related units, IT activities had been fundamentally completed and put the new system into operation since the beginning of 2021.

Another highlight of IT activities in 2020 was the application of work-from-home solution via VPN Remote Access for the whole company during the period affected by Covid-19, in order to always be ready in case of change in working conditions, ensuring uninterrupted business operations. In addition, as the protection of information security has always been considered important, Viet Dragon focused on investing on special advanced equipment for the prevention and detection of technology attacks as well as ensuring smooth functioning of the system under circumstances of high volume transaction at the end of the year.





PART 2 – BUSINESS RESULTS OF 2020

III. OTHER ACTIVITIES



HUMAN RESOURCE AND TRAINING ACTIVITIES (HR)

The total number of employees by the end of 2020 was **266 people**, decreased nearly 9% compared to the beginning of the year (290 people). During the year, the Company **recruited 60 new employees** (22.2% of total employees), **reduced 80 employees** (29.6% of total employees).



Income and remuneration

With positive business results, the income of employees in 2020 increased by more than 20% on average compared to 2019. Despite experiencing difficulties in the first 6 months, Viet Dragon ensured income and remuneration policies for employees. Emulation and commendation schemes have been improved towards promoting emulation programs, stimulating sales to create an exciting atmosphere in the Company's activities.



Training

HR and Training Department supported employees to complete professional courses and examinations to increase the number of employees having practicing certificates for the Company. Training activities in 2020 focused on strengthening internal training, on-the-job training to help employees update with new knowledge about the industry as well as skills and expertise to develop the current workforce.

As for brokerage training activities, in parallel with the company's new brokers training program, each unit actively designed a new training program, associating to the actual work. The initial result was well-trained interns with good counselling skills, though not in big scale.



Employment management

Strictly and adequately implemented regulations on employment management. Procedures for informing changes in number of employees monthly and employment reports were submitted on time as the request of state authorities.



ACCOUNTING FINANCIAL ACTIVITIES

Accounting financial activities with three segments of financial accounting, plan management and capital management in 2020 performed the following key tasks:



Financial accounting

Completed annual and semi-annual audit reports; completed and supplemented the Accounting manual accompanying operating procedures and professional guidance.



Financial Plan Management

In 2020, the department built and implemented a revenue and costs management system for each unit to serve as a basis for performance evaluation. In addition, a management reporting system by day, month, quarter, year was developed to meet the requirements of administration-coordination.



Capital management

In 2020, the capital management activities successfully issued 4 batches of Viet Dragon's bonds with a total mobilized value of more than VND 1,600 billion, which was an important source of capital for the company's business activities. Besides, the Capital Resources Department also actively developed loans from domestic and foreign credit institutions to ensure sufficient capital for the Company's business needs.



PART 2 – BUSINESS RESULTS OF 2020

III. OTHER ACTIVITIES



INTERNAL CONTROL AND RISK MANAGEMENT ACTIVITIES

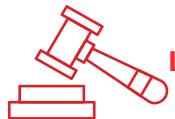
Inspection and control activities in 2020 were mainly done in brokerage and securities services, including: Checking the operation of the Call center system, verifying documents, cross-checking balance, checking depository balance. At the same time, continued to collaborate with information technology activities to develop Risk Management Reporting software to promptly provide reports to authorized state agencies, and meet internal management demand.



COMMUNICATION AND BRANDING ACTIVITIES

In 2020, communication and branding activities proactively broadcasted positive information about Viet Dragon's business results, products, services and analysis reports on the mass media, helped raising Viet Dragon's brand name in Vietnam's financial market.

In addition, internal communication timely announced important changes in development strategies, cultural values, new products, services and emulation programs to all employees, helping to strengthen bonds and contribute to creating positive business results in 2020.



LEGAL ACTIVITIES

In 2020, Viet Dragon had many changes in administration and management orientation. Accordingly, legal activities played an important role in completing the system of regulatory documents and manuals for supporting-supervising units; consulting contracts and legal matters, disseminating and updating legal documents, managing information disclosure activities of the Company. The key works that Legal Department performed during the period: amending the statutes, regulations, professional procedures; providing legal consultation; disseminating and updating legal documents; managing information disclosure activities of the Company.





PART 2 – BUSINESS RESULTS OF 2020

IV. ASSESSMENT OF THE BOARD OF MANAGEMENT ON OPERATION IN 2020

FINANCE

Revenue

The implementation of Viet Dragon's revenue plan in 2020 achieved very positive results. Specifically:



Revenue from proprietary investment exceeded **540.72%** of the plan, increased **642.27%** compared to last year due to dynamic stock transactions in the last 6 months. Viet Dragon's investment portfolio also witnessed a strong growth, not only recognizing a reversal of previously accrued provisions, but also having an additional assessment at the end of the year.



Revenue from Brokerage along with favorable market factors, Viet Dragon's Board of Management also added incentive programs to boost sales. Therefore, the result of brokerage in 2020 exceeded **38.4%** of the year plan as well as nearly **38%** of 2019's figure. In 2020, Viet Dragon was also honored to be in the Top 10 securities companies with the largest bond brokerage market share on Ho Chi Minh City Stock Exchange (HoSE) in Quarter III/2020 and ranked 7th in brokerage on UPCoM stocks in Quarter IV/2020.



Revenue from Investment Banking

had noticeable developments in capital arrangement, private bond issuance advisory, bond underwriting consultancy. Summarizing the whole year, IB activities had a revenue growth of **637%** over the previous year, exceeding **269.65%** of the year plan.



Revenue from Securities Services, though not as remarkable as those of other activities, accomplished **99.3%** the year plan. Due to the competition from securities companies involving foreign elements with very low lending interest rates to customers, Viet Dragon's average margin balance in the year also decreased by nearly **10%** compared to last year. However, in order to limit risks for both the Company and investors, Viet Dragon has always maintained a prudent lending policy and continued to focus on improving service and product quality.

Costs

Total operating costs in the period equivalent to 102.11% of the year plan, in which:



General management costs continued to be well-managed and followed the plan.

01

Loans Interest during the period accounted for **34.8%** of total costs, exceeded **24.4%** of the year plan. However, this result reflected a year of active activities of the Company in effort to expand credit relationships with new partners as well as maximize the capital mobilization from Viet Dragon bond issuance channel to prepare resources for business activities in the next period.

02

Investment activities costs in 2020 was negative (-) **VND 1.06 billion**, which came from the reversal of the provision for diminution assessed previously, recording a year of positive changes in the portfolio of Viet Dragon.

03

In addition, thanks to strict risk management activities, no provisions of bad debt arose in 2020.



PART 2 – BUSINESS RESULTS OF 2020

IV. ASSESSMENT OF THE BOARD OF MANAGEMENT ON OPERATION IN 2020

Due to revenue growth and well-managed costs, Viet Dragon's 2020 business efficiency increased. Profit after tax increased 333% compared to 2019. ROA reached 6.17%, ROE reached 13.58%, EPS reached VND 1,500/share.

Average employee income increased by more than 20% compared to 2019. Working productivity increased significantly; average profit/employees reached VND 670 million/person.

In 2020, Viet Dragon paid a total of VND 75 billion to the state budget, increased 56% compared to 2019.

POSITION IN THE INDUSTRY IN 2020



TOTAL REVENUE

VND **466** billion

↑ **40.5%** compared to 2019

Ranked **21st** on the entire market

Lower than the average of Top 30 securities companies (44.2%).



PROFIT BEFORE TAX:

VND **193** billion

↑ **353.3%** compared to 2019

Ranked 18th

↑ **11 levels** over the past year
(VND 43 billion, ranked 29th)



EQUITY AND CHARTER CAPITAL

Ranked **25th** on Equity (2019: ranked 24th)

Ranked **22nd** on Charter Capital (2019: ranked 20th)

Equity increased ↑ **11.5%** compared to 2019.

DEBT/EQUITY RATIO

120% as of 2020, with average ratio of top 30 securities companies being 114%.



ROE

13.58%

Ranked **11th** on the market

↑ **14 levels** compared to 2019
(3.29%).



CLIENTS

By the end of 2020, Viet Dragon was managing more than **84,400 accounts** safely and securely, without any problems related to customer account information. Net asset value (NAV) of clients at Viet Dragon increased nearly **40%** compared to the beginning of the year. Besides focusing on bringing customers satisfaction, VDSC has always focused on designing products and services to serve specific needs of each customer; along with that was the constant search for ways to innovate, improve and enhance the quality of products and services. Viet Dragon also continuously published market information through media channels, as well as through seminars to bring up-to-date and useful information to investors.



INTERNAL CONTROL

In 2020, entire body of Viet Dragon Securities Corporation made efforts to consolidate and perfect the system of internal processes in order to promptly meet operational needs. Viet Dragon composed and issued work manuals for monitoring and supporting activities. The supporting activities provided the facilities, means of work for the entire company as well as for the organization of successful events. The internal control and risk management also met work's demand, ensured high transparency and compliance, as well as minimized the risks in operations of the whole company. Internal management systems such as IT, PR, Admin, HRM were all self-developed by internal personnel.



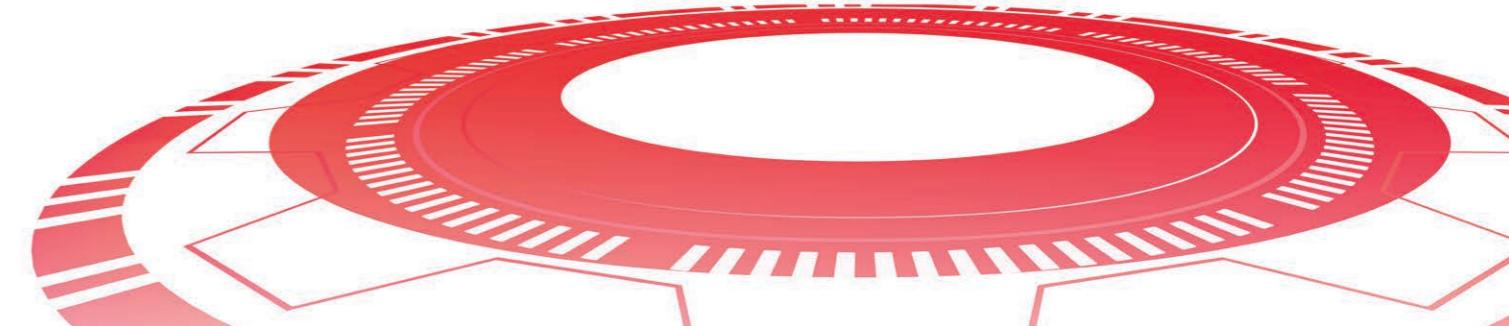
STUDYING AND DEVELOPMENT

Identifying "personnel" as the decisive factor for all activities of the organization, Viet Dragon has always focused on recruiting, training and developing as well as perfecting policies to attract and keep employees. Internal training programs, practicing certificate courses, and on-demand trainings are implemented in line with the plan. However, due to the influence of the Covid-19, most training centers restricted launching new courses, or switched to online training. Towards implementing the 2021-2025 development strategy, Viet Dragon carried out digital transformation projects for all key activities to help optimize the operating system, increase customer experience and complete database system, data analysis for administration and operation.



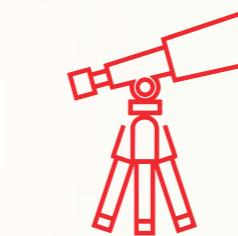
CHAPTER 3 DEVELOPMENT STRATEGIES

- **MEDIUM AND LONG-TERM STRATEGY**
- **BUSINESS ENVIRONMENT 2021**
 - MACROECONOMICS OUTLOOK 2021
 - STOCK MARKET FORECAST
- **OPERATION PLAN IN 2021**



PART 1. MEDIUM AND LONG-TERM DEVELOPMENT STRATEGY

STRATEGIC GOALS FOR 2021-2025



VISION

To become one of the leading, most modern and effective financial institutions in Vietnam.



MISSION

FOR CUSTOMERS

Successfully creates an ecosystem of finance and investment for the Vietnamese business community and investors by creating and providing leading solutions, financial instruments and suitable investment products, which, ultimately, yield highest efficiency for customers through excellent operating system and customer service;

FOR EMPLOYEES

Viet Dragon wishes to build a humane and dynamic working environment and corporate culture, attracting capable and enthusiastic personnel to cooperate and work, to grow, to develop careers and create a prosperous future;

FOR SHAREHOLDERS/INVESTORS

Successfully builds an effective system/business model, which greatly increase the value of the investment of Viet Dragon's shareholders/investors;

FOR THE FINANCIAL MARKET AND VIETNAM ECONOMY

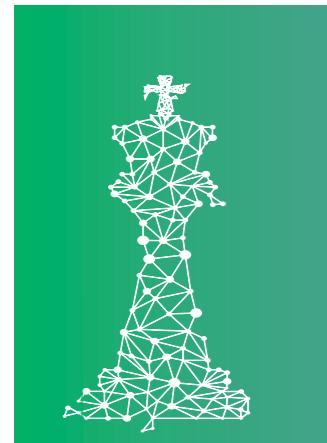
Viet Dragon wishes to make a positive, proactive and effective contribution to the development of the financial market and the economy of Vietnam.

FOR THE COMMUNITY

Viet Dragon wishes to share its development achievements with the community and society.

PART 1. MEDIUM AND LONG - TERM DEVELOPMENT STRATEGY

STRATEGIC GOALS FOR 2021 - 2025



The development strategy for 2021 – 2025 is built by Viet Dragon on the basis of assessing and identifying the strengths and weaknesses of the firm, which help to focus on resources and promote strengths, overcome shortcomings, capture and take advantage of business opportunities. At the same time, Viet Dragon must also build a solid foundation with an efficient business model, quality staff, diversified product portfolio, services, facilities, excellent operating systems and effective risk management. Specifically:



Finance

Charter capital: Currently, the charter capital of Viet Dragon is VND 1,001 billion. To meet investing need as well as to increase financial capacity and competitiveness, Viet Dragon will increase its charter capital to VND 2,000 billion by 2023, and VND 3,000 billion in 2025.

ROE: to improve business performance to maintain ROE of 18% - 20% at the minimum.



Customers

To classify clients and thoroughly understand clients' profiles. On that basis, to carry out research and create products and services that are suitable and optimal with the need of each customer group.



Products and services

To diversify products to suit customers' financial and investment need. For customers who often use app/web, Viet Dragon will focus on user experience on digital channels and diversify products to meet the investment need of customers.



Distribution channel

To promote digital channels: With clients being increasingly familiar with digital channels, a smooth and comprehensive experience on these platforms is compulsive to ensure satisfaction and competitiveness in the current digital trend.

To complete business model of branches. Based on that, to open new branches in developed provinces/cities to provide financial solutions and investment products to local customers.



Analysis

To focus on investment and strengthen the capacity of the Analysis team, aiming to help customers invest more effectively. In addition, Analysis activities must actively and effectively support other activities: investing, investment banking and asset management.



Human resources, technology and other factors:

Human resources: In the new development phase, Viet Dragon will focus on investing considerably in human resources, through strengthening the recruitment of highly qualified and enthusiastic personnel, improving internal training systems and the salary policy to perfect the working environment

Technology: Along with the human factor, technology factor will also be invested in strongly through comprehensive digital transformation projects, serving all activities of the company.

PART 2 – BUSINESS ENVIRONMENT IN 2021

I. MACROECONOMICS OUTLOOK 2021

2021 OUTLOOK “A SUSTAINED RECOVERY PATH”

- » **Positive view on Vietnam's economic outlook with GDP growth of 7.0% and inflation of 3.5% in 2021.**
- » **The flexible monetary policy is likely to stay, with exchange rate expected to remain stable.**
- » **Low probability of further policy rate cuts and additional fiscal support package.**
- » **Cautious optimism on foreign investment flows**

Given the uncertainty about the progress of the virus around the world, there are concerns with regards to the pace of the global economy's recovery. However, Vietnam's economic outlook is considered positive with possible GDP growth of 6.6-6.8% in 2021, with major drivers being domestic consumption and manufacturing activity. Growth in the first half of the year was affected by the pandemic's outbreak during Lunar New Year holidays, however, the recovery could gain momentum in the second half assuming positive vaccine progress. Our forecast is lower than Bloomberg's consensus estimation of 8.0% but higher than the government's target of 6.5% in 2021.

In 2021, inflation expectations will remain well anchored. In addition, energy prices could gradually recover when global economic activities improve, which could feed through to higher non-food consumer prices. Therefore, we expect headline inflation to be on average at 3.5% in 2021, which is higher than Bloomberg's consensus of 3.3% but in line with the government's target of below 4.0%.

On the monetary policy front, the monetary policy stance is likely to remain supportive in 2021 in order to help firms and households experiencing prolonged economic hardship. Credit growth will advance by 12.0-13.0% along with an improvement of business confidence and economic activities. We see a low probability of further policy rate cuts under our baseline scenario. Besides, we expect the VND to remain stable against the USD given an expected USD weakness.

On the fiscal policy front, the Government seems unlikely to announce an additional fiscal support package in 2021. It is forecasted that the fiscal deficit will be reduced to 3.8% of GDP(*) from 4.3% of GDP in 2020. Public debt will increase to 46.0% of GDP(*) by the end of 2021. Although short-term fiscal sustainability will be at risk due to the high debt repayment burden, fiscal sustainability is unlikely to become an issue in the long term, given that the public debt structure is predominantly VND-based, largely held by domestic investors and at declining interest rates. (*calculated based on revised GDP).

Finally, it is necessary to be cautiously optimistic on foreign investment flows in 2021 because:



COVID-19-related disruptions to cross-border travel capability will take time to unwind and cause a persistent drag on global investment flows; and



Due to the fragile recovery in global demand, the cost of diversifying supply chains will limit any grand migration of manufacturing bases from China.

In spite of these challenges, we expect a slight recovery in FDI in 2021 as Vietnam has a strong foundation including stable political environment, the success in controlling the pandemic and high trade openness with more integration into global supply chains through various FTAs.

Major downside risks to economic growth could come from:

- 1 a large-scale domestic outbreak that is out of the government's control and
- 2 global demand recovering slower than expected.

In contrast, the sooner-than-expected success of the vaccine could offer some upside risk to our forecast.

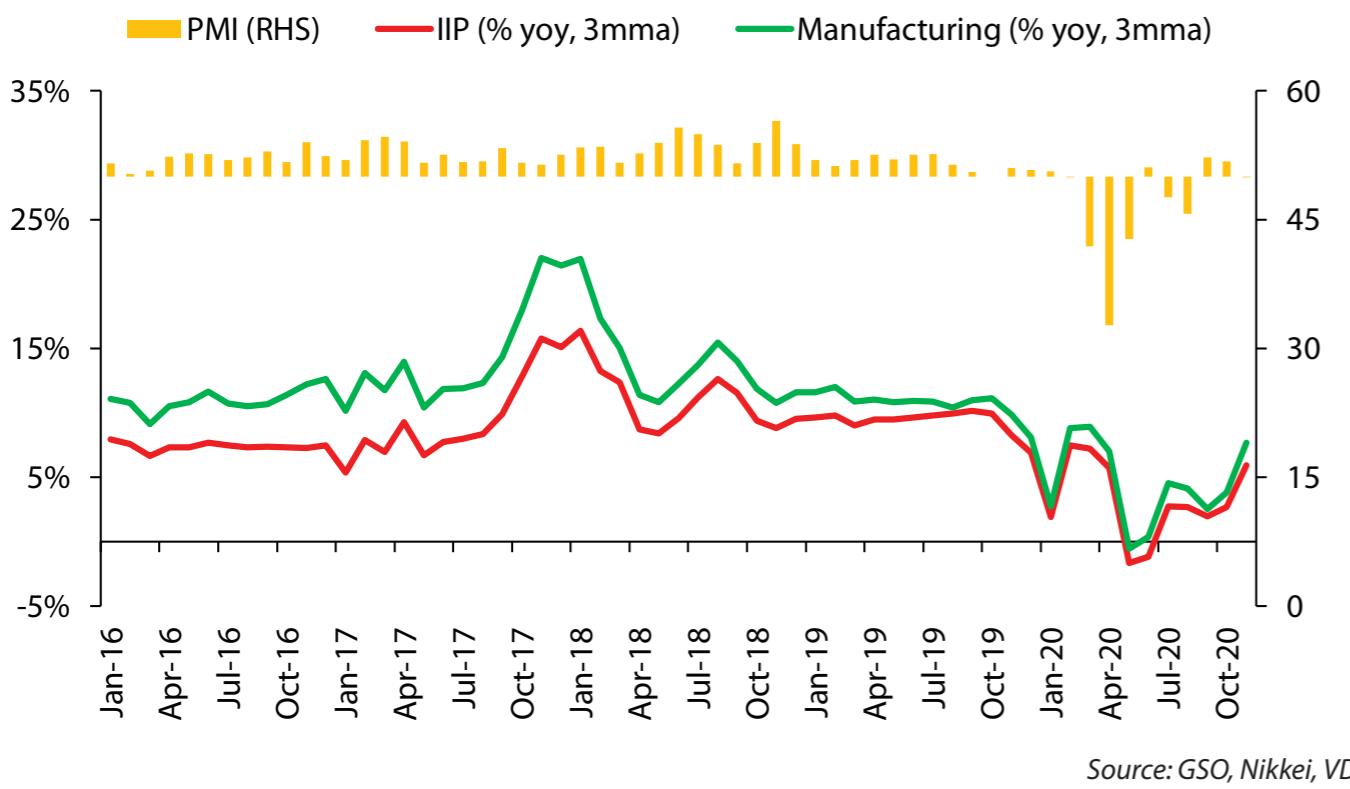
Major economic indicators	Unit	2017	2018	2019	2020E	2021F
GDP growth	%	6.8	7.1	7.0	2.7	7.0
Inflation	%	3.5	3.5	2.8	3.5	3.5
Credit growth	%	18.2	10.8	13.6	10.0	12.0-13.0
Refinancing rate	%	6.25	6.25	6.00	4.00	4.00
Export growth	%	21.6	13.4	8.6	5.5	8.0
Import growth	%	21.4	11.3	7.6	1.5	7.0
Trade balance	US\$ bn	2.9	7.7	10.6	21.3	25.7
Exchange rate	dong	22,735	23,245	23,230	23,230	23,200
Disbursed FDI	US\$ bn	17.5	19.1	20.4	19.0	20.5
Public debt/GDP						
- Before GDP's revision	%	61.4	58.3	55.0	56.8	58.5
- After GDP's revision	%	49.0	46.4	43.9	45.2	46.0
Fiscal deficit/GDP						
- Before GDP's revision	%	2.7	3.5	3.4	5.5	4.9
- After GDP's revision	%	2.2	2.8	2.7	4.3	3.8

Source: GSO, Customs, MoF, SBV, VDSC

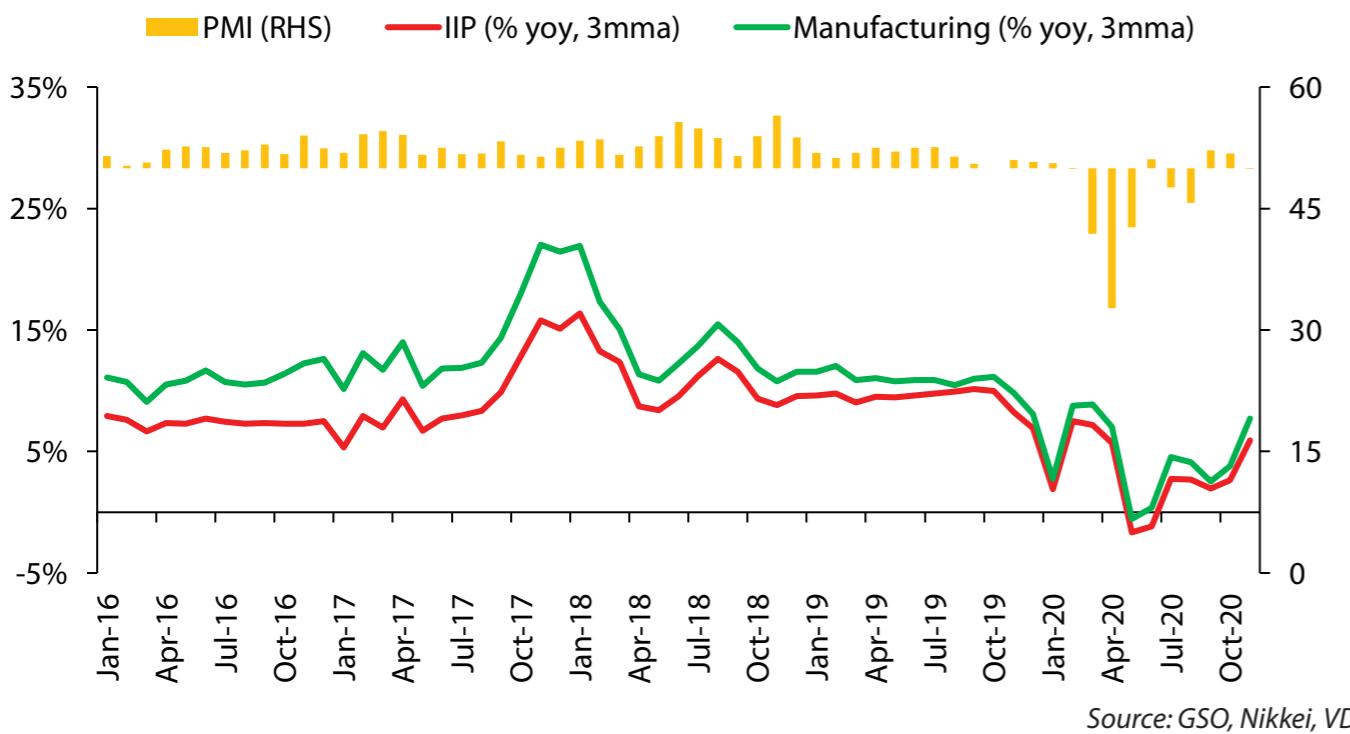
PART 2 – BUSINESS ENVIRONMENT IN 2021

I. MACROECONOMICS OUTLOOK 2021

Domestic economic activities will lead the recovery in 2021

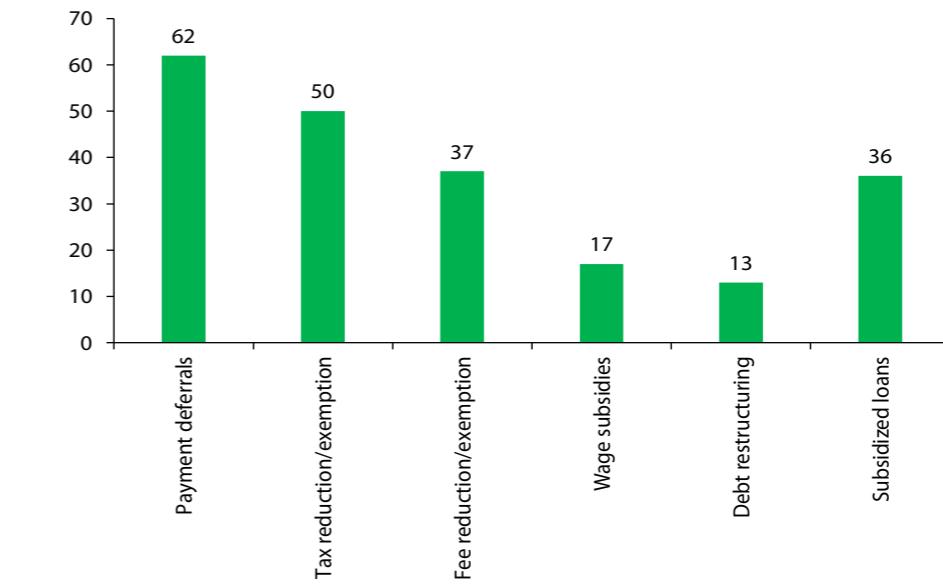


Domestic economic activities will lead the recovery in 2021

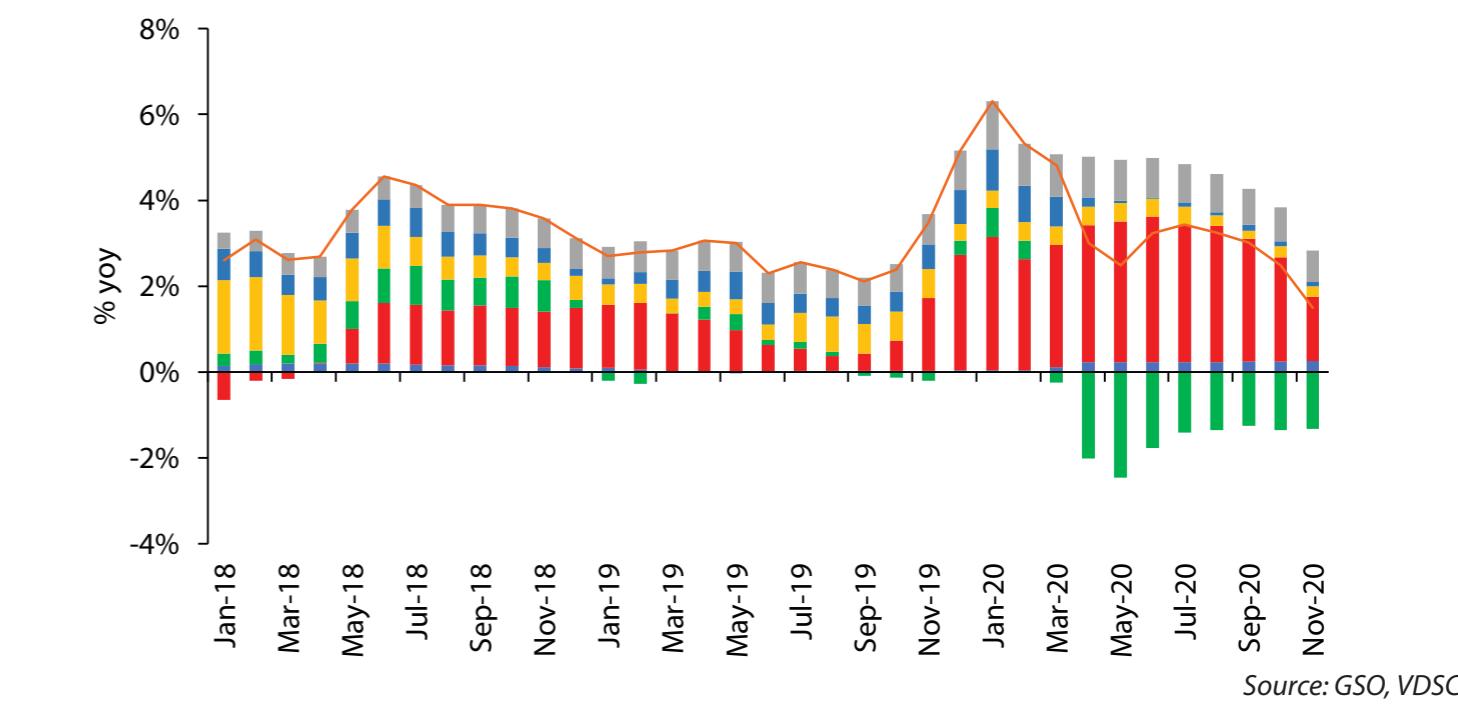


MONETARY POLICY REMAINS SUPPORTIVE IN 2021

Percentage of firms that have the ability to access support policies (%)



Limited drivers for substantial inflation in 2021

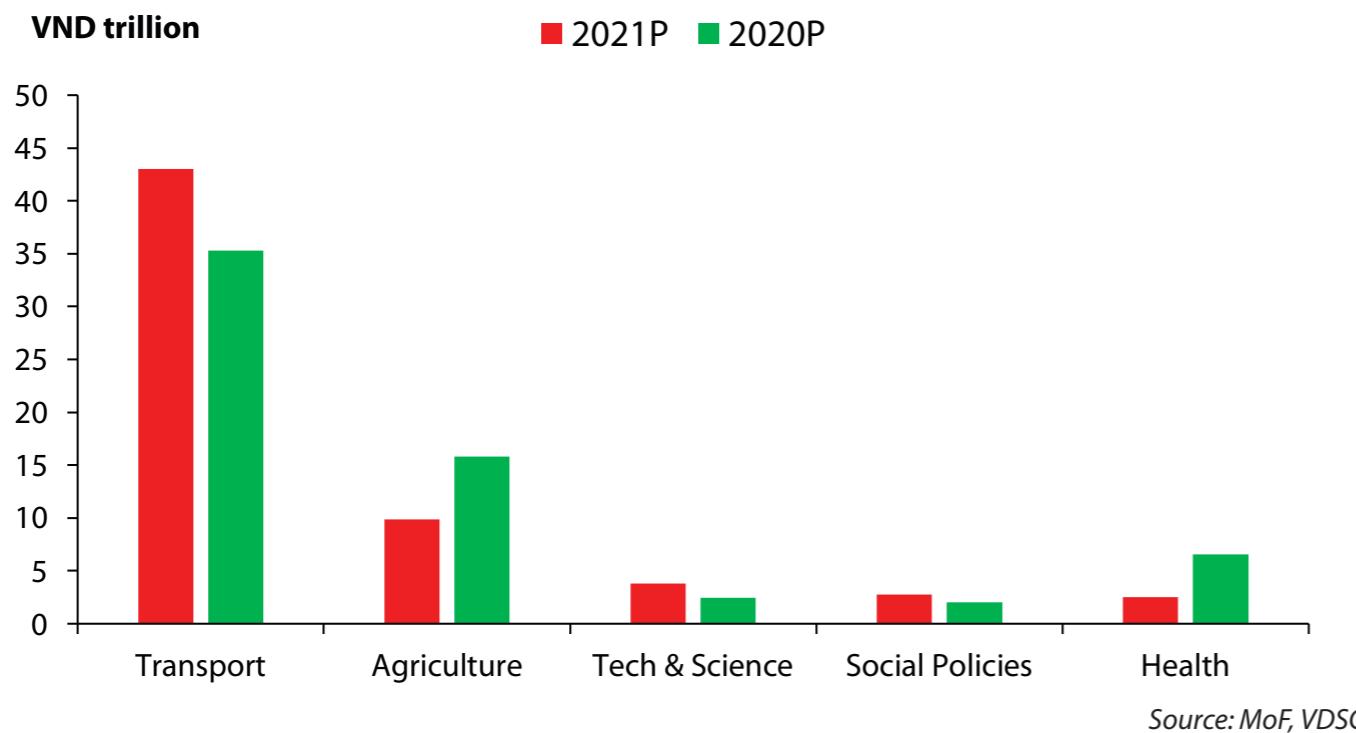


PART 2 – BUSINESS ENVIRONMENT IN 2021

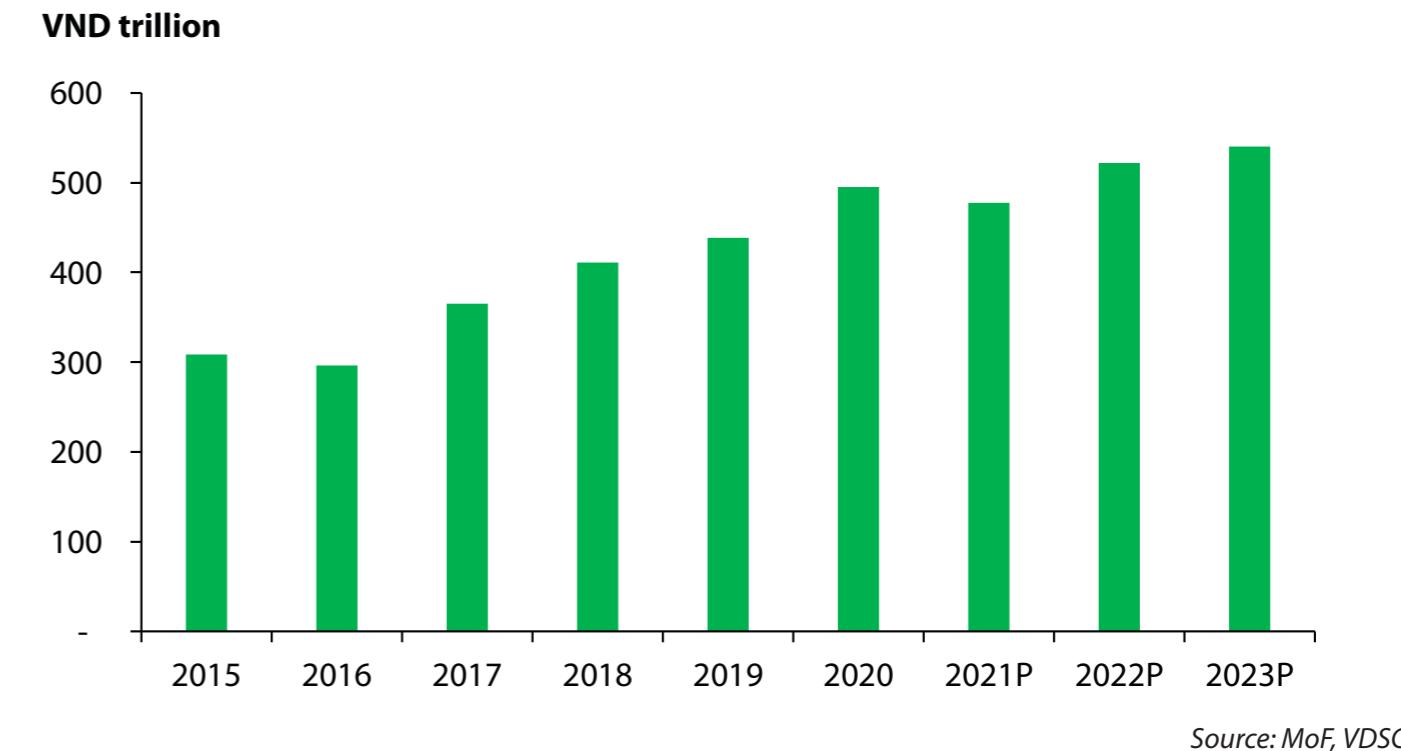
I. MACROECONOMICS OUTLOOK 2021

A GRADUAL SCALE UP OF PUBLIC INVESTMENT IN 2021-2025

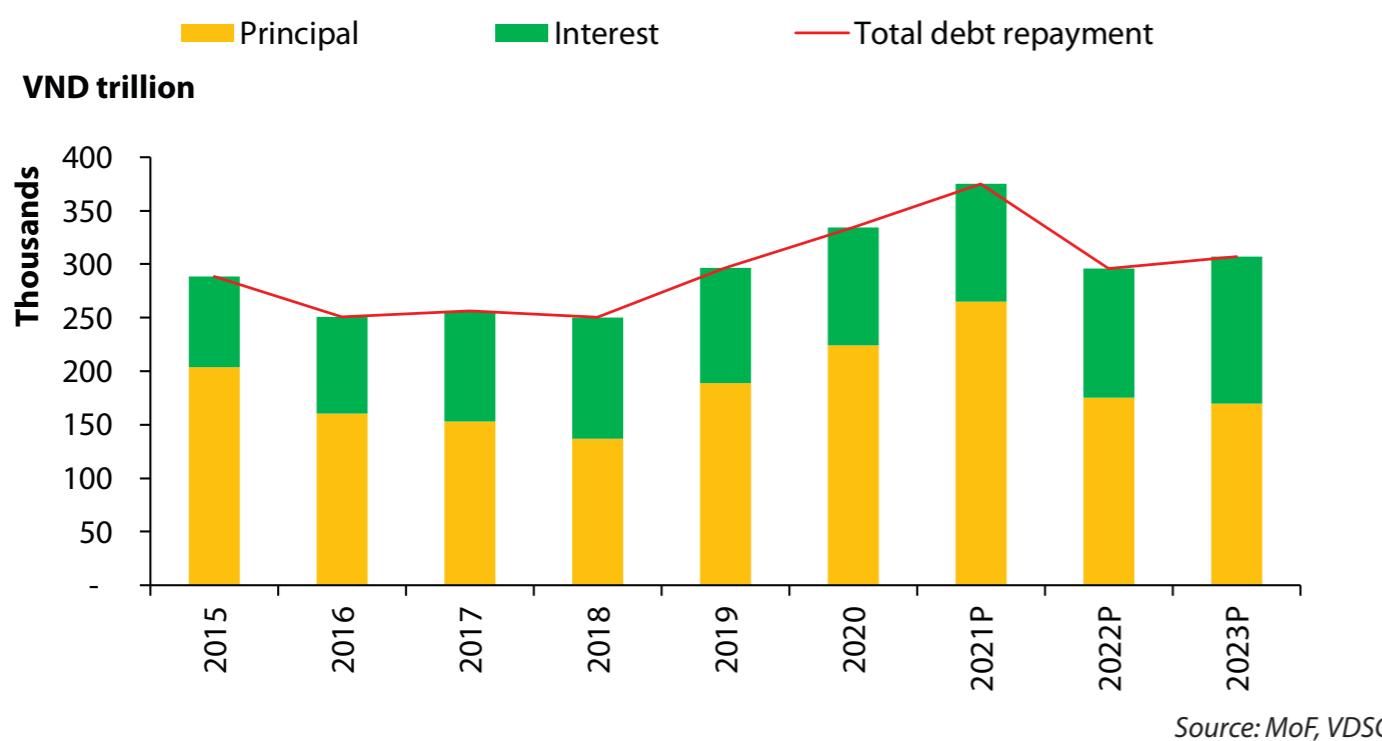
Greater disbursement of infrastructure investments from the central budget in 2021



A GRADUAL PICK UP IN PUBLIC INVESTMENT IN 2021-2023



Debt payment pressure is expected to ease in 2022-2023



PART 2 – BUSINESS ENVIRONMENT IN 2021

II. STOCK MARKET FORECAST

STOCK MARKET OUTLOOK 2021 – NEW NORMAL, NEW BALANCE



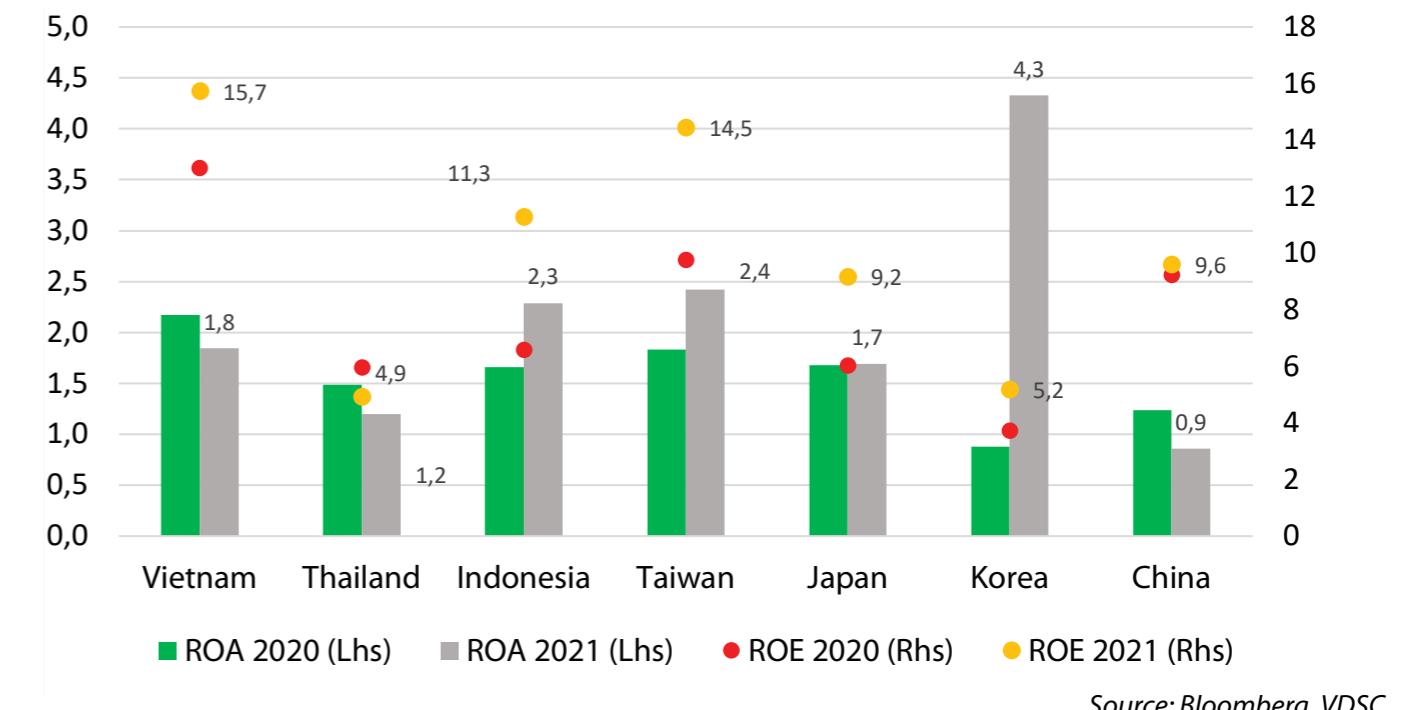
In 2021, a potential strong economic recovery will be the main pillar for the market. The fact that interest rates are still very low, will make stock markets continue to be an attractive and profitable channel, thereby attracting domestic investors. In addition, Vietnam will be attractive to foreign investors in the context that the economy of the US and other developed countries has yet to get rid of Covid while Vietnam continues to enjoy rapid growth. Furthermore, the information that Vietnam may be upgraded from frontier market to emerging market by MSCI and FTSE in the near term, as well as the distribution of vaccine boost global investors' interest in the stock market. However, the rapid rise of the market could push individual investors to use margin (which currently dominates the market), thereby escalating market risks. Another factor that investors should bear in mind is that the fact that the U.S. labelled Vietnam as a "currency manipulator" recently would increase the risk of US tariffs on exports from Vietnam and will affect the general market sentiment.

The most remarkable highlight is the Government's effort in regulating both fiscal and monetary policies after all the complex progression of Covid-19. This will act as the main motivation to boost the recovery of enterprises after heavy influence of the pandemic.



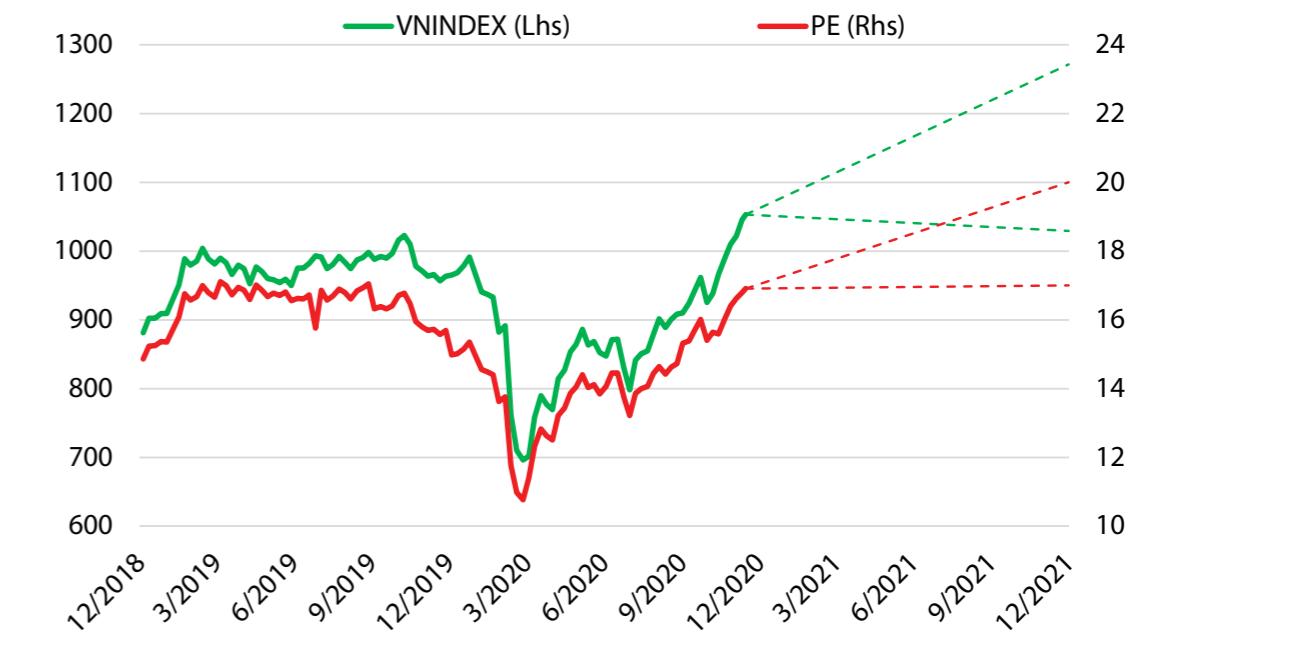
Looking back, VN Index is trading at a higher valuation (PE of 16.9x) than average, but the valuation of the market is still relatively attractive compared to other countries in Asia (average 26.2x). In 2021, according to Bloomberg forecasts, Vietnam will still be in the group of markets with the best profitability and is projected to have a ROE of 15.7%, the highest level since 2014. The market's EPS is also estimated to grow at two digits. Based on the expectation of a better PE premium than other markets, alongside with a historically high PE favoring low interest rates period, the market valuation is estimated to be in the range of 17-20x (PE). Based on the forecasted growth of the top 50's EPS for 2021, we believe that VN-Index in 2021 will fluctuate in the range from 1,029 to 1,271.

Projected efficiency ratios of Vietnam and some countries by 2021 (%)



Source: Bloomberg, VDSC

VN-Index and PE over the past year and forecast for 2021



Source: Bloomberg, VDSC

PART 2 – BUSINESS ENVIRONMENT IN 2021

II. STOCK MARKET FORECAST

2021: THE STORIES OF APPLYING THE AMENDMENTS TO LAW ON SECURITIES AND MARKET UPGRADE

New Law on securities

2021 is the year for the implementation of the Law on Securities No. 54/2019/QH14 dated November 26, 2019, which is expected to be a booster to help the market gradually improve and come closer to the goal of market upgrade by FTSE or MSCI. In addition, the draft Circular for guiding stock market trading is also one important change for 2021. Some key points include T+0 trading, short selling, adding the stock market circuit breaker and the minimum age requirement to open a stock account. Currently, Vietnam is investing in a technology package for the whole market that is expected to launch in 2021 according to Chairman of the Board of Directors of the Securities Depository Center. From a legal basis, the changes related to the clearing settlement are expected to solve the issue that investors need to escrow 100% of the total purchase value when placing buy orders. Instead, investors only need to escrow 10-20% of the purchase value. As a result, Vietnam could soon be upgraded by satisfying the FTSE requirements. We believe that these efforts from the Government will help the stock market change both in quality and quantity within next 1-2 years when legal frameworks are standardized and aligned with the current technology.

Market upgrade

According to the results of FTSE's March 2019 evaluation and temporary review period, Vietnam met seven out of nine requirements for being upgraded to secondary emerging market. The remaining ones are "Payment - Fewer Failed Transactions" and "Clearing Settlement". Out of these two criteria, only the second one is in need of improvement. The first one is the criteria that FTSE announces they need more information to evaluate, not that Vietnam fails with it. With efforts in legislation and technology, in a good scenario, Vietnam could be upgraded to the FTSE secondary emerging market in September 2021. Otherwise, in base plan, Vietnam need one more year and will be officially upgraded in 2022.

As for MSCI's criteria to be upgraded to the category of emerging markets, issues of market liberalization and limited market information remains unsolved during the past time. Vietnam has not yet acknowledged currency exchange market for foreigners, and still keeps certain limitation on domestic currency exchange market (foreign currency transaction relating to securities). Regarding market information, crucial information such as financial statements of listed companies are still not available in English, limiting the access of foreign investors. Therefore, from our view, it would take more time to be part of the emerging market group of MSCI.

III. MAJOR RISK IN 2021

UNCERTAINTY IN RECOVERY EXPECTATIONS

The late 2020 period saw plenty of highly positive news about the vaccine situation. The global health effort has brought hope for 2021, mainly in the second half of the year. Given that vaccine having a high success rate in the trial, regardless of which vaccines will be licensed, there is hope for the world economy to recover to pre-pandemic levels over the next two years.

Nevertheless, the uncertainty in current expectations is relatively high. While our hopes for a vaccine success in the first half of 2020 still remain, there is less potential positive news regarding its effectiveness and side effects. The current expectations are likely based on the best scenarios. Any deviation from expectations could adversely affect stock indices. The pandemic, although somewhat similar to that of SARS in 2002, is still incomparable and even more unpredictable, because the event is not over yet.

INFLUENCE FROM POLITICAL AND COMMERCIAL FACTORS FROM THE WORLD

Financial markets are directly influenced by investor sentiment in short term. In fact, the impact of psychological factors is often very complex and has the potential to bring the market into instability. Currently, in Vietnam financial market, the number of individual investors accounts for the largest proportion. Total transaction value from this group, has always been prominent in the last 4 years, accounting for 70- 80% of the total market transaction value. The figure for other markets like the U.S. is only 25%, which has already accelerated due to lockdown and low interest rate.

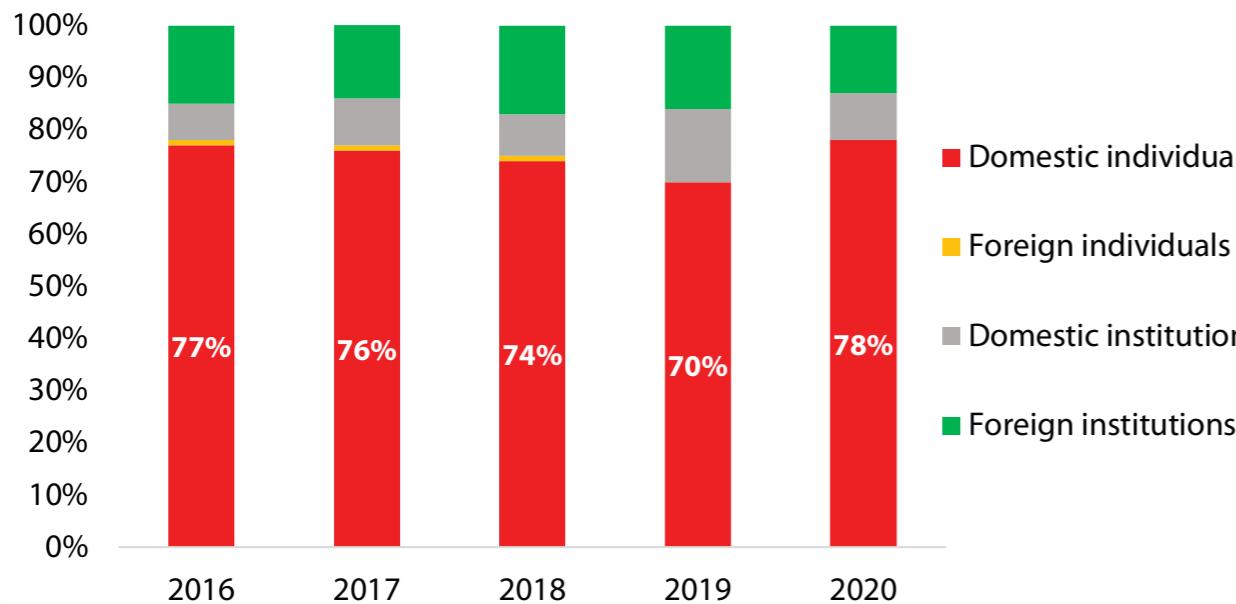
However, unlike institutional investors, individual investors often carry soft spots, which sometimes lead to careless trading decisions. In contrast to institutional investors and investment funds, individual investor's decisions are more focused on a short-term time horizon. This has a direct influence on market movements, creating strong fluctuations in case of unexpected news. However, short-term decisions have a potential risk in valuation due to misinformation.



PART 2 – BUSINESS ENVIRONMENT IN 2021

III. MAJOR RISK IN 2021

PROPORTION OF TOTAL TRANSACTION VALUE BY TYPES OF INVESTOR (BUY + SELL VALUE)



Source: Fiinpro, VDSC

In a report released on 16th December 2020 namely **Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States**, the US Treasury Department officially accused that together with Switzerland, Vietnam had committed currency manipulation.

The consequences of this will likely be that Vietnam will suffer limitations in its one-way intervention in the FX market in the future, in exchange for a softer relationship with the U.S. The VND may be forced to appreciate, because according to the US Treasury Department, the VND is currently undervalued against the USD. This could contribute to a negative impact on the price advantage of Vietnamese exports. In addition, the picture of Vietnam's exports will also be relatively bleak if the US imposes tariffs as it did with China, although the level may be much lower.

PART 3. OPERATION PLAN IN 2021

Entering the year 2021 - the first year of the new decade, in the context of an uptrend in Vietnam stock market which presents many growth opportunities and the digital transformation trend taking place strongly in all areas of Vietnam, Viet Dragon aims to continue focusing on internal strengths, restructuring and deploying new development strategies on digital transformation platforms to help increase customer experience, optimize operation processes, increase competitiveness and operational efficiency of the Company. The orientation for 2021 is:

"BUILDING FOUNDATION - EMBRACING FUTURE"



FINANCIAL-BUSINESS PLAN (SEPARATED)

Target (VND bn)	2020 result	2021 plan	% +/(-)
Total revenue	466.32	528.00	13.23%
Brokerage	106.57	130.30	22.26%
Securities services	197.58	237.70	20.30%
Proprietary Investment	128.14	90.00	(29.77%)
Investment banking	18.48	50.00	170.50%
Other activities	15.53	20.00	28.77%
Total expenses	273.65	348.00	27.17%
PBT	192.66	180.00	(6.59%)
PAT	150.10	144.00	(4.06%)

PART 3. OPERATION PLAN IN 2021

SOLUTIONS



FINANCE

» Brokerage activities

To promote activities generating revenue from service fees such as brokerage, lending on the basis of focusing on customer segments with high profit margins and growth potential;

» Lending activities

To increase the average loan balance of lending activities on the basis of both flexible and prudent margin lending policies with suitable interest rates;

» Investment banking

To focus on promoting high-revenue operations such as consulting, capital arrangement, M&A consulting. In addition, the firm also needs to effectively exploit traditional financial advisory operations such as IPO, issuance and listing, divestment;

» Proprietary investment activities

To continue improving and enhancing the efficiency of stock portfolios; promote investment and business in corporate bonds.

» Capital management activities

To continue improving the management and use of the company's idle capital, ensure liquidity and optimize income, and control costs appropriately; continue strengthening the expansion of capital mobilization channels.



CUSTOMERS

» To increase customer experience

Focus on investing in research and development of new products based on technology which ensures convenient, fast, safe and secure criteria to increase the number of customers using online transaction channels;

» To increase customer satisfaction with the diversity and usefulness of products

Continuously improve products that support transactions, loan products; develop investment products tailored to the need and risk appetite of each customer group. The most important goal is to help customers invest with high efficiency;

» To improve the quality of Viet Dragon customer service

Review, evaluate and complete customer care policies for each customer group to ensure attractiveness and competitiveness.

» To increase customer confidence in the prestige of Viet Dragon brand.



INTERNAL ADMINISTRATION

» To deploy a new business strategy and focus on digital transformation projects

» **To improve process - administration management methods** to simplify process, improve labor productivity and work efficiency.

» To complete the internal inspection-audit system and risk management across the whole system.



LEARNING AND DEVELOPMENT

» To perfect and promulgate Viet Dragon's Cultural Behavior, improve working environment and compensation policies to retain existing personnel who are talented and committed; attracting new qualified employees to meet the expansion and development requirements.

» To focus on training to develop the capacity of the team: diversify training programs, contents and modes: culture, profession, management skills, sales skills and customer care;

» To increase motivation for personal growth: encourage employees to continuously learn to improve professional qualifications, professional skills, a sense of responsibility through supporting mechanisms and compensation and promotions.

» To diversify and increase emulation-commendation programs: to both encourage employees to accomplish business performance goals, and to motivate them to strive to increase productivity and work efficiency.

In 2020, despite many ups and downs, Viet Dragon Securities Corporation has achieved impressive results. The outstanding performance of 2020 is a great encouragement to the enduring efforts and overcoming difficulties of Viet Dragon, which creates a strong belief for the Company to enter 2021 with a proactive attitude to face opportunities and challenges from the constant fluctuations of the economy, continuing to reap success in all aspects of operations and increase the influence of Viet Dragon in Vietnam stock market.



CHAPTER 4 CORPORATE GOVERNANCE

- REPORT ON ACTIVITIES
OF THE BOARD OF DIRECTORS
- REPORT ON ACTIVITIES
OF THE BOARD OF SUPERVISORY
- REMUNERATION AND BENEFITS FOR
BOARD OF DIRECTORS
AND BOARD OF SUPERVISORY
- RISK MANAGEMENT
- SHARES INFORMATION
AND INVESTOR RELATIONS ACTIVITIES

I. REPORT ON OPERATIONS BY THE BOD

1. OPERATIONS REVIEW BY THE BOD

2020'S BUSINESS RESULTS

Closing 2020, business results of Viet Dragon Securities Corporation achieved significant growth:

INDEXES	2020's PLAN	2020's ACCOMPLISHMENT	% accomplishment/plan 2020
Total revenue	313.000	466.316	149,0%
Total expenses	268.000	273.653	102,1%
Total profit before tax	45.000	192.662	428,1%

Some financial efficiency indicators in 2020:

INDEXES	2019	2020	+/(-) %
Net profit margin (%)	10,09%	32,19%	218,9%
Profit after tax/ Average owner's equity (%)	3,21%	13,58%	322,5%
Profit after tax/ Average total assets (%)	1,64%	6,17%	276,6%
Earning per share (VND)	346	1.500	333,5%

2. SUPERVISION RESULTS OF THE BOARD OF DIRECTORS TOWARDS BOARD OF MANAGEMENT

In 2020, the Board of Directors (BOD) conducted supervisory activities towards the Executive Board in implementing Resolutions of General Meeting of Shareholders and of BOD, specifically:

SUPERVISION METHODOLOGY

The BOD closely collaborates with the Supervisory Board in supervising activities of the Executive Board in implementing resolutions made at general meeting of shareholders, and strategies made by the Board of Directors, through periodic and on-demand meetings in order to make timely suggestions and support for the Executive Board. In every meeting, the Executive Board has to report operational activities of the company, results in implementing assigned responsibilities, and review the implementation of resolutions and other assigned responsibilities from Board of Directors.



To consolidate the supervision of Board of Directors, VDSC has 2 sub-committees and 1 council directly under Board of Directors, with different specializations. These sub-committees and board have the responsibility to make regular reports and suggest recommendations for the Board of Directors. Specifically:



The Sub-committee of Human Resources – Salary-Compensation suggests appointment and promotion of managerial executives, advises Board of Directors about salary, compensation and other welfare policies for employees.



The Sub-committee of Risk Management supports the Board of Directors in risk management practices, ensuring all business activities of VDSC are within risk limits, and suggests recommendations for improvement and minimizing potential risks.



The Investment Council helps Board of Directors in managing all investment activities, including: stock evaluation and recommendation, investment decision making, and ensuring efficiencies of the proprietary investment department

The Board of Directors will consult the Supervisory Board, and its sub-committees to evaluate results of the last period, and the feasibility of plans for the next period so as to make timely suggestions for the Executive Board. Simultaneously, the Board of Directors also makes evaluation and strategy based on the market situation and economic variances, so that the Executive Board has different plans for different scenarios, ensuring the ability to complete the targets assigned by the Board of Directors under any circumstances.



SUPERVISION RESULTS

In 2020, the Company outperformed targets on revenue and profit set by the General Meeting of Shareholders, as well as showed clear improvement on operation efficiency.

CONCLUSION

Under the power and obligation of the Board of Directors and General Director specified at the Company's Charter, in 2020, the Board of Directors has supervised the General Director in the following areas:

- Implementation of business plan for 2020;
- Implementation of resolutions made at the AGM in 2019 and resolutions made by the Board of Directors;
- Operation of daily business activities.

Through periodic examine, supervision and report on business results, daily business operations of the Company as well as on-demand reports, the Board of Directors concluded that the Executive Board strictly implemented assigned rights and obligations in comply with applied law, as well as the Company's Charter and Resolution of the AGM. In addition, the BOD cautiously and professionally implemented rights and obligations to ensure the maximum benefits of the Company and its Shareholders under the law.

I. REPORT ON OPERATIONS BY THE BOD

3. ORIENTATION FOR BOARD OF DIRECTORS

The overall orientation for 2021 is

“BUILDING FOUNDATION EMBRACING FUTURE”



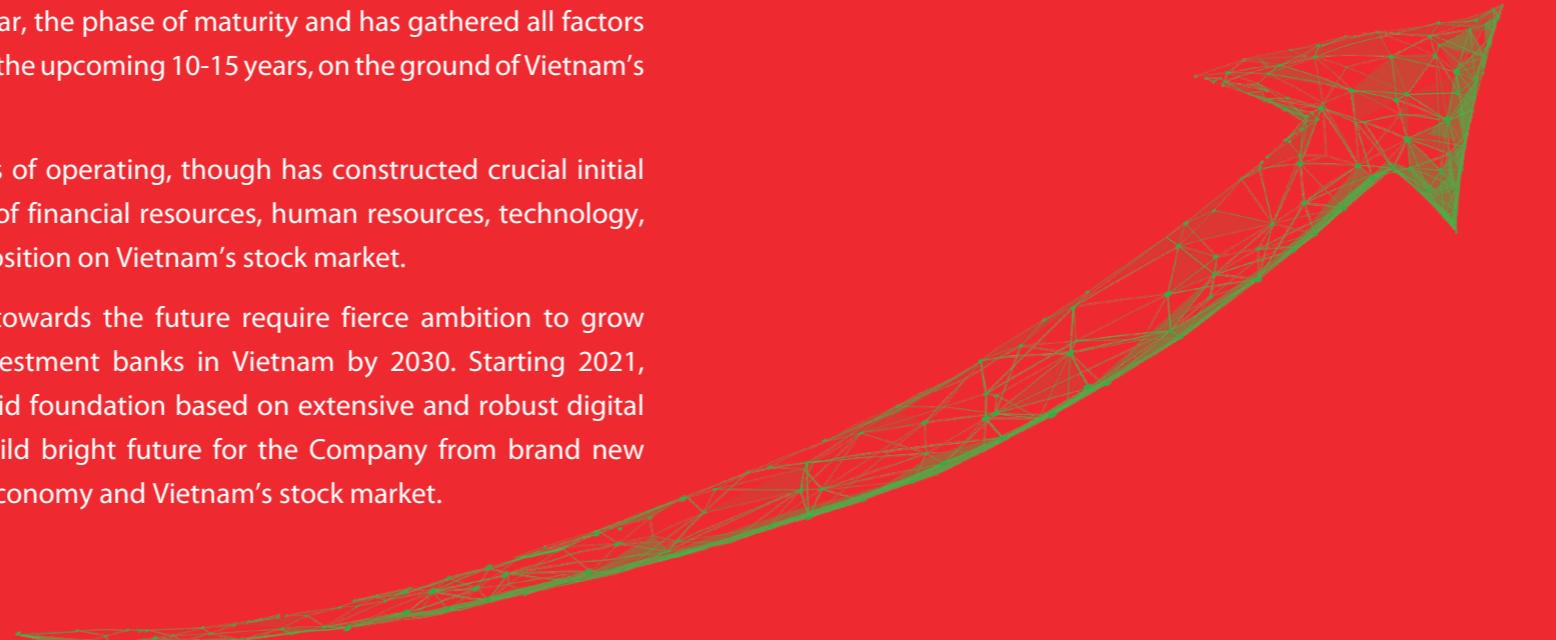
Vietnam's stock market is stepping into its 21st year, the phase of maturity and has gathered all factors and opportunities to grow and strongly develop in the upcoming 10-15 years, on the ground of Vietnam's great ambition to thrive.

Viet Dragon Securities Corporation, after 14 years of operating, though has constructed crucial initial platform, remains many rooms to grow in terms of financial resources, human resources, technology, customer base, product- service ecosystem and position on Vietnam's stock market.

VDSC's foundation, current position and vision towards the future require fierce ambition to grow in order to achieve leading position among investment banks in Vietnam by 2030. Starting 2021, VDSC has to make significant effort to build a solid foundation based on extensive and robust digital transformation, in order to actively seize and build bright future for the Company from brand new development opportunities of the nation, of the economy and Vietnam's stock market.

PRIMARY GOALS INCLUDE:

- 1 Swiftly completing and launching Development Strategy for 2021-2025 period on extensive digital transformation platform;
- 2 Maintaining efficient use of resources to broaden scope, thoroughly strengthen business activities, increase competitiveness, profitability and position on Vietnam's stock market;
- 3 Enhancing clients' experience and satisfaction. Creating product with diversified, helpful functions that matches demand of different groups of clients; perfecting clients' policy; enforcing client developing activities;
- 4 Restructuring organization and completing process and policies; improving management-coordinating methods to support growing demand to the fullest;
- 5 Enforcing recruitment of high-quality employees, training activities to ensure human resources for expansion and development;
- 6 Restructuring, completing operation model and development strategy to strengthen and boost productivity at branches;
- 7 Restructuring fund management subsidiary company, forming and implementing new product in connection with VDSC's business activities;
- 8 Boosting PR activities on brand image, product-service, culture-personnel of Viet Dragon Securities Corporation; enhancing IR activities to strengthen trust of partners, clients, investors for VDSC;
- 9 Maintaining risk management and internal control activities, ensuring all activities are safe, stable and in compliance with law.



I. REPORT ON OPERATIONS BY THE BOD

4. CORPORATE GOVERNANCE IN 2020

- The Board of Directors is aware of the importance of building an efficient management system. An effective management system means efficient use of resources, positive business activities, which lead to better access to the capital markets and higher credibility on the market.

Viet Dragon Securities Corporation aims to maintain the following 5 values in its management system:



Proper management structure;



Efficient operation of Board of Directors and Supervisory Board;



Ensured rights and benefits of shareholders and stakeholders;



Treating shareholders fairly;



Transparency in all activities of the Company.

4.1 STRENGTHENING RELATIONSHIP BETWEEN THE COMPANY, SHAREHOLDERS AND INVESTORS

- Viet Dragon strives to ensure that basic rights and benefits of shareholders are protected in compliance with the Laws, including: ownership registration rights; ownership transfer rights; rights to access information about the company in a timely and regular manner; rights to attend and vote at annual general meetings; rights to vote for appointment and dismissal of members of Board of Directors; and rights to benefit from profit of the company.



4.2 RIGHTS TO RECEIVE DIVIDENDS

- When investing in a stock, investors become shareholders of the Company, and benefit from rights attached to the stock. The most important right to all shareholders is the right to share profit of the company, via annual dividends payment.

In 2020, the BOD implemented dividends paying plan as follow:



Dividends of 2019: the BOD completed paying dividends in cash at the ratio of 3%/ par value for shareholders on 06/01/2020.



Advanced payment of dividends of 2020: According to Resolutions of Annual General Meeting of Shareholders 2019, the ratio for dividends payment of 2020 was planned at 3%/par value, and authorized BOD to decide on the rate and time to implement the plan.

Based on business results of the Company, on 23/12/2020, the BOD agreed on approval of dividends advanced payment of 2020 with the rate of 3%/par value. The Company implemented payment plan on 28/01/2021.

I. REPORT ON OPERATIONS BY THE BOD

4. CORPORATE GOVERNANCE IN 2020

4.3 RIGHTS TO ATTEND ANNUAL GENERAL MEETINGS

- Each year, VDSC organizes annual general meeting according to the regulations. The 2019 annual general meeting was organized on May 28, 2020. All procedures including notification, compilation of the shareholder list, event preparation, and meeting content were prepared in compliance with the regulations to ensure the justifiable rights and benefits of shareholders.

All shareholders listed in the shareholder list as at the last registration date March 17, 2020 provided by Vietnam Securities Depository (VSD) received sufficient information about date, time, venue and requirements to attend the annual general meeting, meeting content, meeting materials, and registration method in the invitation letter. The invitation letter and all meeting materials were published on the company's website on May 11, 2020, 17 days before the meeting date, with all reports, submissions, and drafts used in the meeting, in order to ensure that the shareholders have sufficient information about discussion matters in the meeting.

According to the policies regarding procedures and voting at the meeting, each shareholder registered for attendance at the meeting was provided with a Voting form and a Voting card. On each voting card, there was sufficient information about the shareholder and matters requiring for approval in the meeting. The meeting was coordinated by the board of meeting, with the Chairman being the Chair of meeting.

After the end of the meeting, a meeting minute and Resolution of 2019's annual general meeting was published on the company's website within 24 hours.

4.4 TREATING SHAREHOLDERS FAIRLY

In order to consolidate trust of shareholders, the Company strives to ensure benefits and fairness for all shareholders. Specifically, the Company Charter approved on May 28, 2020 met all requirements from Corporate Laws, Securities Law and related regulations. Besides, VDSC also built a management system compliant with regulations for public companies, including: prohibition of insider trading, information disclosure on related benefits, treating shareholders fairly, objective assessment and providing accessible information for shareholders, ensuring timely and accurate announcement. These regulations are strictly followed and applied in all aspects of operations and management of the Company.

4.5 ROLES OF STAKEHOLDERS

Stakeholders include all groups such as shareholders, investors, clients, employees, banks, suppliers, regulators, and communities.

In business environment, movement of one company can affect the others. Therefore, it is one of the utmost important responsibilities of corporate governance to balance and ensure benefits of all stakeholders. As a result, Viet Dragon Securities Corporation always respect and promotes interests of related parties, ensuring that the Company's activities are constructed based on mutual benefits, and striving towards a sustainable development. Specifically:



I. REPORT ON OPERATIONS BY THE BOD

4. CORPORATE GOVERNANCE IN 2020

4.5 ROLES OF STAKEHOLDERS



CLIENTS

This is the group that directly creates revenue for the Company, shareholders and investors. VDSC always makes constant effort to bring to clients the highest results at lowest cost, through upgrading quality and diversifying product, service, maintaining trust, information security and safety for clients' assets.



EMPLOYEES

The Company ensures salary, compensation, and welfare policies for its employees, with available schemes for staff training and development, striving towards an energetic, modern, professional, and fair working environment, where all staffs with capabilities and ethics have fair promotions opportunities.



SHAREHOLDERS/
INVESTORS, BANKS

As capital providers, this group concerns about the Company's business activities and results to ensure that their investments are put into good use. Understanding this, VDSC always strives for higher transparency in all activities and compliance with disclosure regulations, to provide sufficient and efficient information on business activities, growth rate, coupled with an efficient management system, supervising system, and risk management system.



REGULATORS

Policies makers and managing stable operation of the market. As a participant of the market, VDSC contributes to the development of Vietnam's stock market, complying with all regulations for the stock markets and meeting all responsibilities with the national budget.



COMMUNITIES

VDSC shares responsibilities with the communities, by contributing to the development of the young, and increasing the awareness on protecting the environment and efficient use of resources.

4.6 INFORMATION DISCLOSURE

VDSC is aware of the importance of adequate, accurate and timely disclosure of information, as it not only consolidates trust of shareholders, customers, and stakeholders, but also promotes the brand of VDSC on the market and among regulators.

All disclosure policies of the Company strictly comply with current regulations, ensuring the highest rights and benefits of shareholders, investors and stakeholders. All information about VDSC is published on the company's website (at the address <https://www.vdsc.com.vn/vn/newsLocal.rv>), website of Ho Chi Minh City Stock Exchange (HoSE), and website of State Securities Commission of Vietnam (SCC). Accordingly, all related parties have access to information disclosed by Viet Dragon Securities Corporation. Besides, on a 6-month basis, VDSC publishes its management report as required by regulations, with information about management activities in the period, together with the list of internal personnel, stock trading activities of these internal personnel and their related people. These stock trading activities by internal personnel and major shareholders are also published on the company's website (at the address <https://www.vdsc.com.vn/vn/shareInfo.rv>).

Via its disclosure policies, the Executive Board of the company demonstrates its reporting responsibility before shareholders, maintaining trust of customers, partners, and investors in the brand Viet Dragon. Besides, the disclosure also assists related parties in coming up with timely evaluation, with time to adjust to changes in the policies and activities of the company.



I. REPORT ON OPERATIONS BY THE BOD

4. CORPORATE GOVERNANCE IN 2020

4.7 THE BOARD OF DIRECTORS IN 2020

In 2020, there were 6 members in the Board of Directors. The structure of the Board of Directors maintained mutual complementation among members with diverse experience in finance, securities and law. In addition, there was a symmetry among management members, non-management members, and independent members. Below is the list of members in the Board of Directors of VDSC, with ownership percentage and voting rights each member represents:



(Dated: 05/03/2021)

No	Full name	Member			Percentage of VDS shares	
		Independent	Non-management	Management	% owned	% representing
1	Mr. Nguyen Mien Tuan		✓		17,79%	-
2	Mrs. Pham My Linh		✓		11,91%	-
3	Mr. Nguyen Hieu		✓		0,048%	-
4	Mr. Nguyen Thuc Vinh		✓		0,03%	-
5	Mrs. Hoang Hai Anh	✓			-	-
6	Mr. Nguyen Quoc Bao	✓			-	-



Changes in member of the Board

As of 05/03/2021, the Board of Directors had 06 members, of which 04 were non-management members and 02 independent members. The changes were as follow:

Members dismissal:

No	Full name	Dismissal
1	Mr. Tran Le Nguyen	Chairman of the Board of Directors
2	Mr. Kelly Yin Hon Wong	Member of the Board of Directors
3	Mr. Vo Long Nguyen	Independent member of the Board of Directors

Members appointment:

No	Full name	Appointment
1	Mr. Nguyen Thuc Vinh	Member of the Board of Directors
2	Mrs. Hoang Hai Anh	Independent member of the Board of Directors

Chairman no cum General Director

Responsibilities of Board of Directors are to direct the Board's activities, ensure thorough and effective communication and collaboration between BOD and Executive Board. General Director is in charge of coordinating business activities and operations of the Company in accordance with BOD's strategy and orientation. Accordingly, in order to maintain independence and accountability, as well as to comply with Clause 2, Article 12, Decree 71 on corporate governance for public companies, the Company has always separated the two roles in the past years.

This facilitates separate power in decision making, increasing responsibilities and supervision capabilities among management members, ensuring the most efficient operation management activities.

I. REPORT ON OPERATIONS BY THE BOD

4. CORPORATE GOVERNANCE IN 2020

4.7 THE BOARD OF DIRECTORS IN 2020

Roles and responsibilities of Board of Directors

According to the Corporate Laws in 2014, and the Company Charter, the Board of Directors is the management body of the company, with the legal right to represent the company to make decisions regarding the company's rights and responsibilities not belonging to the Annual General Meeting.

When implementing their responsibilities, the Board of Directors abides by regulations, the Company Charter and decisions of the Annual General Meeting. In case decisions of the BOD conflict with the regulations or the Company Charter, causing damages to the company, members approving the decisions have the joint responsibilities to account for the damages and compensate for the company. Those who oppose such decisions are exempted from responsibilities.

Activities of the Board of Directors

In the past year, Board of Directors of Viet Dragon has focused on directing, supervising, and making timely suggestions for the Executive Board, via resolutions, decisions related to the business activities, investment strategies, organization of the internal system, and other major matters under the responsibilities of the Board.

In 2020, the Board of Directors organized 19 meetings including both physically and remotely with approval in written forms. Announcements and meeting agendas of centralized meetings were sent directly or sent via post at least 5-7 days in advance of the meeting date to members of the Board, and meeting documents were sent at least 3 days in advance. As for the remote meetings, proposed matters were presented clearly in the documents, and the time for board members to consider and reply was within 5 days from the date of the documents' delivery.

Meetings of the Board of Directors were documented and recordable, stored under electronic forms, and signed by all meeting attendants. Decisions by the Board of Directors were passed if approved by more than half of the attendants. In case when the voting was draw, the final decision would be the one voted by the Board Chairman. Decisions made by remote meetings were approved if the majority of members with voting rights approved.

The list of members attending Board's meetings in 2020 is in the table below:

NO.	Full Name	Position	Number of meetings attended (*)	% Attendance	Reason for absence
1	Mr. Nguyen Mien Tuan	Chairman	19/19	100%	
2	Mrs. Pham My Linh	Member	17/19	89%	Business trip
3	Mr. Nguyen Hieu	Member	19/19	100%	
4	Mr. Nguyen Quoc Bao	Independent Member	19/19	100%	
5	Mr. Nguyen Thuc Vinh	Member	15/19	79%	Appointed on 28/05/2020
6	Mrs. Hoang Hai Anh	Independent Member	15/19	79%	Appointed on 28/05/2020
7	Mr. Tran Le Nguyen	Chairman	4/19	21%	Dismissed on 28/05/2020
8	Mr. Kelly Yin Hon Wong	Member	3/19	16%	Dismissed on 28/05/2020
9	Mr. Vo Long Nguyen	Member	4/19	21%	Dismissed on 28/05/2020

(*) Including remote meetings with approval in written.



I. REPORT ON OPERATIONS BY THE BOD

4. CORPORATE GOVERNANCE IN 2020

4.7 THE BOARD OF DIRECTORS IN 2020

- In these meetings, the Board of Directors discussed and approved all business activities of the previous year and plans for the next years, reported quarterly business activities and plans for the next quarter, and discussed other matters under the responsibilities of the Board such as delegation to General Director, dividend payment, corporate bond issuance. In particular, the matters approved in Resolutions by Board of Directors in 2020 are summarized below:

NO.	Decision/ Resolution No.	Approved date	Content	Approval rate
1	01/2020/NQ-HĐQT	17/01/2020	- Approval of corporate bond issuance first round of 2020	100%
2	02/2020/NQ-HĐQT	17/02/2020	- Approval of shareholders list and plan for AGM 2019	100%
3	03/2020/NQ-HĐQT	24/03/2020	- Approval of postponing AGM 2019	100%
4	04/2020/NQ-HĐQT	07/05/2020	- Approval of business plan for 2020 to submit to AGM; - Approval of meeting materials and agenda of AGM 2019; - Approval of BOD and BOS members dismissal; - Approval of members nomination for BOD and BOS	86%
5	05/2020/NQ-HĐQT	28/05/2020	- Voting for Chairman and Representative under the law	100%
6	07/2020/NQ-HĐQT	30/06/2020	- Approval of Novaland corporate bond issuance underwriting	100%
7	08/2020/NQ-HĐQT	01/07/2020	- Approval of personnel change in Board of investment and Sub-committees of BOD	100%
8	09/2020/NQ-HĐQT	14/07/2020	- Approval of corporate bond issuance second round of 2020	100%
9	10/2020/NQ-HĐQT	17/07/2020	- Approval of business report for first 6 months and business plan to last 6 months of 2020	83%

NO.	Decision/ Resolution No.	Approved date	Content	Approval rate
10	11/2020/NQ-HĐQT	17/07/2020	- Approval of credits proposal for business from HDBank- Nguyen Dinh Chieu Branch	83%
11	12/2020/NQ-HĐQT	06/08/2020	- Approval of Company's operation management	100%
12	13/2020/NQ-HĐQT	15/09/2020	- Approval of business strategy advisor	100%
13	14/2020/NQ-HĐQT	24/01/2018	- Approval of BOD meeting on 15/10/2020	100%
14	15/2020/NQ-HĐQT	24/11/2020	- Approval of acquisition of 51% shares of Viet Dragon Fund Management	100%
15	16/2020/NQ-HĐQT	24/11/2020	- Approval of allocating representative managing shares and implementing rights of ownership at VDFM	100%
16	17/2020/NQ-HĐQT	17/11/2020	- Approval of credits proposal for business from Indovina Bank	100%
17	18/2020/NQ-HĐQT	09/12/2020	- Approval of credits proposal for business from PVcomBank- Sai Gon Branch	100%
18	20/2020/NQ-HĐQT	26/11/2020	- Approval of signing contract between BOD's member's internal person and VDFM's share-transfer shareholders	100%
19	21/2020/NQ-HĐQT	21/12/2020	- Approval of re-purchasing pre-maturity issued bonds of VDSC	100%
20	22/2020/NQ-HĐQT	22/12/2020	- Approval of IT budget for 2021	100%
21	23/2020/NQ-HĐQT	30/12/2020	- Approval of dividends advanced payment plan 2020	100%

I. REPORT ON OPERATIONS BY THE BOD

4. CORPORATE GOVERNANCE IN 2020

4.7 THE BOARD OF DIRECTORS IN 2020

Operation of independent, non-managing BOD members



In order to keep the independence, transparency and broad overview for the BOD, VDSC is currently maintaining the BOD's structure with most of members are non-managing and independent. This structure helps assure all matters are objectively assessed under different perspectives and receive constructive feedbacks. In addition, independent BOD members also contribute creative ideas and valuable votes at BOD's meeting that hardly found at those BOD's meetings composing only major shareholders and BOM members.

Besides, non-managing and independent BOD members actively engage in important activities of the Company through holding leading positions in Sub-committees and sub- board of the BOD. This ensures the BOD's strict control and timely adjustment to the Company's operation.

Sub-committees and council under the Board of Directors

With the increasingly complex and diversified operation, the requirement and responsibility for the BOD become heavier. Hence, VDSC established sub-committees, which are expected to become powerful tools for the BOD to monitor and direct timely the entire operation as well as enhancing the level of objective and independent in BOD's decisions.

Currently, Viet Dragon is maintaining the operation of 2 sub-committees and 1 council, with the majority of members are independent, non-managing BOD members. The obligation of each sub-committee/council is briefly summarized as followed:

Sub-committee of Human Resources – Compensation - Benefits: established on December 01, 2015, including 04 members with 03 are BOD members and 01 is BOM member. The main function is to advise on promotion and appointment of managerial positions, to consult on salary policy and other remuneration of employees.

Sub-committee of Risk management: established on December 01, 2015, including 05 members with 03 are BOD members. The main function is to assist and advise the BOD with matters related to risk management.

Investment Council: established on December 01, 2015, including 03 members with 02 are BOD members. The main function is to review and make investment decisions according to regulations of investment activities and other relating decisions.



(Dated: 05/03/2021)

Members of sub-committees and council are as follow:

No	Name	Title	Sub-committee of Human Resources - Compensation- Benefits	Sub-committee of Risk management	Investment Council
1	Mr. Nguyen Mien Tuan	Chairman	✓ Head of Sub-committee		✓ Head of the Council
2	Mr. Nguyen Hieu	Member	✓ Member	✓ Member	✓ Member
3	Mr. Nguyen Thuc Vinh	Member Non-managing BOD member	✓ Member	✓ Member	
4	Mrs. Hoang Hai Anh	Member Non-managing BOD member		✓ Head of Sub-committee	
5	Mrs. Nguyen Ngoc Van Phuong	Managing Director (in charge) of Operations Supporting Division cum Chief Personnel Officer	✓ Member Secretary		
6	Mr. Nguyen Hac Hai	Managing Director (in charge) of Investment Division			✓ Member Secretary
7	Mrs. Phan Thi Than Huong	Head of Internal Control Department		✓ Member Secretary	
8	Mr. Nguyen Trung Quan	Head of Legal Department		✓ Member	

I. REPORT ON OPERATIONS BY THE BOD

1. CORPORATE GOVERNANCE IN 2020

4.7 THE BOARD OF DIRECTORS IN 2020

Activities of Sub-committees, Council under BOD's supervision

Sub-committee of Human Resources – Compensation - Benefits

At Viet Dragon Securities Corporation, Sub - committee of Human Resources – Compensation - Benefits holds important roles related to human resource and remuneration issues, which are as following:

- Providing advices and suggestions for the BOD in electing, appointing and reappointing BOD/BOM members and managerial positions of the Company.
- Evaluating level of effectiveness of the BOM's operation.
- Deciding or approving plan of human resource development, recruitment, training and welfare for managers.
- Assisting the BOD about salary policy for the entire company.
- Proposing remuneration policy (salary, welfare and other benefits) for the BOD and Supervisory Board members.
- Suggesting the BOD to approve level of salary and relating welfare for BOM members as well as supporting the BOD in evaluating and approving rewards for BOM members in management and operation execution.
- Reviewing and proposing ESOP program for employees.

Sub-committee of Human Resources – Compensation - Benefits reviews and makes decisions within its authorization through open vote in meetings or written opinion collection. Meetings of the Sub-committee will be held in following circumstances: on Chairman's request, request from at least 02 members of the Sub- committee or suggestion by the CEO.



Sub-committee of Risk management

The Sub-committee of Risk management plays an important role in the Company's operation. The Sub-committee holds the responsibility to support the BOD in reviewing and approving policies, strategies of risk management, as well as risk management criteria and overall risk level of the Company and each department; give independent assessment on suitability and conformity of policies and process; evaluate efficiency and validity of risk management system of BOM to improve the system.

The risk level for each department in the Company is daily and automatically calculated through system. Every month, based on the risk management system and reports of total risk and available capital, the risk management department monitors risk limit of entire company and sends report to the CEO. After that, the CEO has to follow up, gather information and report to the Sub-committee of risk management about risk exposure, material risk assessment and the plan of handling risks when exceeding the risk limit. Based on these information, the Sub-committee proposes and assesses suitability of risk management policies and risk management level.



Investment Council

The investment council is a specialized unit under BOD to control all investment activities. The Council's responsibility is reviewing and making investment decisions within its granted authorization. The Investment department supports the Investment Council in providing reports and investment suggestions for the Investment Council to consider in regular meetings. Regarding structure of the Investment Council, there is 01 (one) Director of Investment, who directly proposes investment opportunities from the Investment Department to the Investment Council.

The Investment Council of the Company makes investment decisions through open vote in regular meetings or upon any request from the CEO. In the meeting, members of the Council will update market information, pass investment reports, then discuss and vote to approve proposals and solutions.

I. REPORT ON OPERATIONS BY THE BOD

4. CORPORATE GOVERNANCE IN 2020

4.7 THE BOARD OF DIRECTORS IN 2020

Enhance management capability



In the past year, BOD, Supervisory board, and BOM members as well as middle managers actively participated in specialized workshops and conferences to enhance management capability. Each newly appointed member of the BOD is required by the BOD to take time to get to know the activities of the Company through various sources of information such as exchanging with the former BOD members, the Executive Board members, company website, company management reports, business performance reports, annual reports. Thereby, the new BOD members will quickly grasp and have a more in-depth look at the Company's operation in order to make positive and valuable contributions to the development of the Company.

Overview of the BOD's activities

Last year, the BOD directed, monitored and adjusted the business operation, investment activity, company organization, and other significant matters in their authorization by issuing related resolutions and decisions, aiming to reach profession in company governance in accordance with current regulations and international treaties.

Some outstanding events are as followed:

- In 2020, the BOD maintained their operation by quarterly meetings or as per requested meetings. In particular, the BOD organized 19 meetings, including collection of written opinions. Number of attendance were always recorded at high rate, ensuring independence, transparency and diversity in the BOD's decision;

- Most of BOD members are non-managing and independent. This structure enabled the separation of management and governance activities, to accurately evaluate the BOM's operation, thus optimizing shareholders' benefits;

- The BOD always strictly monitored the practice of BOD's resolutions and AGM's resolutions;

- Supervising operation and review, approve proposals from Sub-committees/Council of the BOD to ensure the effectiveness in daily operation;

- Supervising BOM's operation through collaborating with the Supervisory Board, quarter or irregular reports requested by BOD.

SUPERVISORY BOARD'S ACTIVITIES REPORT



Mr. Ho Tan Dat

Chief Supervisor

Mr. Ho Tan Dat has over 20 years working in the field of Finance and Banking. Previously, he worked as Head of Corporate Finance Advisory Department, Director of Investment Banking Division of VDSC. Mr. Ho Tan Dat is currently a specialist in the BOD Office of Sacombank.

He was elected as Chief Supervisor for the 2017 – 2021 term since 28th May 2020.

Mr. Ho Tan Dat has Master's degree in Business Administration and a Bachelor's degree in Finance.



Mr. Nguyen Van Minh

Member of the Supervisory Board

Mr. Nguyen Van Minh has been working in the financial area for more than 22 years. Mr. Minh is currently Deputy Head of BOD Office of Sacombank and Member of BOD of Ba Ria Vung Tau International Tourist Service Joint Stock Company.

He joined VDSC's Board of Supervisors in March 2010 and was entrusted as Chief Supervisor for the 2012-2016 term. From 28th October 2015, he resigned from Chief Supervisor position and was elected as a Member of the Supervisory Board for the 2017 – 2021 term since 23rd March 2017.

He has a Bachelor's degree in Economic.



Mrs. Nguyen Thi Thuy Hang

Member of the Supervisory Board

Mrs. Nguyen Thi Thuy Hang is Head of Client Services Department – Institutional Client Division.

She has over 13 years of working experience in the stock market. Previously, she worked as Vice Manager of Securities Services Department at Saigon Branch and Supervisor of the Financial Services Department, Vice Manager of the Institutional Client Division at VDSC.

She was elected as a Member of the Supervisory Board for the 2017 – 2021 term since 28th May 2020.

Mrs. Hang graduated from HCMC Economics University with a Bachelor of Accounting and Auditing.

II. SUPERVISORY BOARD'S ACTIVITIES REPORT

Members and the Structure of the Supervisory Board

Viet Dragon's Supervisory Board (SB) currently consists of 03 members:

No	Full Name	Title	Status	Owning / Representing Stakes at VDS	
				% Ownership	% Representative
1	Mr. Ho Tan Dat	Chief Supervisor	Non-employee	-	-
2	Mr. Nguyen Van Minh	Member	Non-employee	0.0075%	-
3	Mrs. Nguyen Thi Thuy Hang	Member	Manager of the Client Services Department – Institutional Client Division		-

Changing members of the Supervisory Board:

In 2020, Viet Dragon's Supervisory Board has the change in members as follow:

Dismissed member:

No.	Full name	Dismissed position
1.	Mrs. Nguyen Thi Oanh	Chief Supervisor
2.	Mr. Nguyen Thuc Vinh	Member

Appointed member:

No.	Full name	Appointed position
1.	Mr. Ho Tan Dat	Chief Supervisor
2.	Ms. Nguyen Thi Thuy Hang	Member

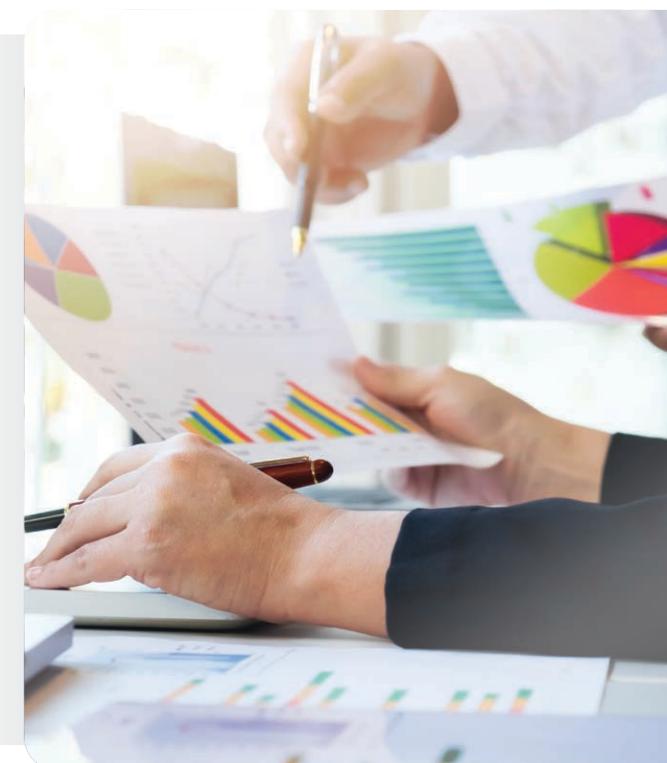
The Supervisory Board's activities report

Viet Dragon's Supervisory Board has the duty to represent and act on shareholders' behalf to monitor and make recommendations to the BOD and the BOM regarding important matters of the Company in order to ensure responsibilities' independence and improve the quality of corporate governance, thus protect the highest benefits for shareholders. The attendance list of members of the Supervisory Board in 2020 is summarized as follow:

NO.	Full Name	Title	No. of meetings attended	Attended rate	Reason for absence
1	Mr. Ho Tan Dat	Chief Supervisor	3/4	75%	Appointed on 28/05/2020
2	Mr. Nguyen Van Minh	Member	4/4	100%	
3	Mr. Nguyen Thi Thuy Hang	Member	3/4	75%	Appointed on 28/05/2020
4	Mr. Nguyen Thi Oanh	Chief Supervisor	1/4	25%	Dismissed on 28/05/2020
5	Mr. Nguyen Thuc Vinh	Member	1/4	25%	Dismissed on 28/05/2020

In 2020, the Supervisory Board fulfilled the following duties:

- Monitoring Viet Dragon's compliance with the Laws, Company's regulations, and the AGM resolutions;
- Monitoring the business operations & financial reports of 2020;
- Monitoring activities of the BOD and the BOM;
- Resolving shareholders' requests to the Company.



II. SUPERVISORY BOARD'S ACTIVITIES REPORT

Monitoring Viet Dragon's compliance with the Laws, Company's regulations, and the Shareholder General resolutions

After the process of supervising and reviewing, the Supervisory Board concluded that Viet Dragon's operational activities in 2020 complied with the current Laws, the Company's charter and management practices. In addition, regulations regarding information disclosure were also strictly followed by the Company without any violations. This ensured that shareholders, clients, investors and other related parties were always updated on important information about the Company's operational activities, organizational changes and financial status. The Annual General Meeting 2019 resolutions have been successfully carried out with the following details:

Business plan for 2020:

In 2020, Viet Dragon exceeded the targets for revenue and profit set by the AGM.

Target (Billion VND)	Plan	Result 2020	% Plan/Result 2020
Total Revenue	313.00	466.32	148.98%
Total expenses	268.00	273.65	102.11%
Total Profit before tax	45.00	192.66	428.14%
Tax	9.00	42.56	472.89%
Total net profit	36.00	150.10	416.95%

2020 Profit distribution

In 2020, Viet Dragon completed the dividend payment to shareholders as follow:

2019 dividend

BOD finished paying 3% dividend in cash to shareholders on January 6, 2020.

2020 dividend payment in advance

Following the Annual Shareholder General Meeting's resolutions in 2019, the planning dividend payment in 2020 was 3%/par value and the AGM delegated to BOD to make decision about ratio, time to pay dividend in advance to shareholders in 2020.



Based on the business activities results, on December 23, 2020 BOD approved the pay of 3% dividend in advance to shareholders in 2020. VDSC has completed the payment on January 28, 2021.

Selecting the Auditor

Viet Dragon's BOD has chosen Ernst & Young (Vietnam) Ltd. to be the auditor for its 2020 financial statements.

Monitoring the business operations & financial reports of 2020

The Supervisory Board cooperated with the Chief Accountant to review all financial reports prepared by the BOM with comments from EY (Vietnam) Ltd.

The Supervisory Board concluded that Viet Dragon's reports reflected major aspects fully and truly, namely the financial status, business performance, and cash flow activities as of 31 December 2020, in conformity with Vietnam Accounting Standards, the current corporate accounting standards, and other regulations specifically applied to securities companies. The Supervisory Board agreed with the financial statements and the Auditor's opinions on the 2020 financial statements (attached in AGM's documents).

In 2020, Viet Dragon has prepared and published all periodical financial statements required by Laws and the Authority. The semi-annual financial report, the Financial Safety Ratio report, and the Financial Statements of 2020 were audited by independent party - EY (Vietnam) Ltd. in compliance with regulations of the State Securities Commission (SSC) and the Ministry of Finance (MoF).

II. SUPERVISORY BOARD'S ACTIVITIES REPORT

Monitoring business operations & financial reports of 2020

Viet Dragon's activities were evident, public and transparent. The Supervisory Board did not find any severe violation of accounting, finance, business activities as well as internal procedures of the Company. There has been no extraordinary change while comparing quarterly numbers, half year and full year numbers or between unaudited and audited numbers. Some of the basic ratios that the Supervisory Board approved and shown on the audited Financial Statements of 2020 are:

No.	Ratio	2020 Result	Asset Indicators		2020 Result
			Short term assets	Total assets	
1	Total Revenue	466,320	Short term assets	2,514,896	
2	Total Profit Before Tax	192,660	Long term assets	53,460	
3	Total Net Profit	150,100	Total assets	2,568,356	
4	Earnings Per Share (VND/ share)	1,500	Total liabilities	1,402,839	

In addition, the Company has fulfilled all its tax obligations to the State including corporate income tax, personal income tax without any overdue amount.

Some basic financial indicators:

No.	Indicators	2020	2019
1	Financial safety ratio	637.84%	731.85%
2	Solvency indicators		
a	Short-terms asset to total debt ratio (times)	1.81	1.79
3	Capital structure indicators		
a	Debt to Owner's Equity (times)	54.62%	54.54%
b	Debt to total asset ratio	1.20	1.20
4	Profitability ratios		
a	ROE (Net profit/ equity)	13.58%	3.21%
b	ROA (Net profit/Total asset)	6.17%	1.64%

Monitoring activities of the BOD and BOM

In 2020, the BOD held 19 meetings (both offline and written). All meetings were held in accordance with the Laws and the Charter of Viet Dragon. The Supervisory Board was present in all meetings to be updated on implementation of plans approved by the AGM so as to make timely recommendations for the overall development of The Company. These suggestions were carefully considered during the decision-making process of the BOD. As the result, the Supervisory Board concluded that the BOD has fulfilled all its duties given by the Shareholders General by making timely decisions & resolutions that helped directing the direction of the Company's business in order to achieve the targets set by the AGM.

Major matters discussed and approved during last year's BOD meetings included:

- Reports on business performance quarterly & yearly, and business plans for the upcoming period;
- The issuance of corporate bonds during the year;
- Profit distribution in 2019 and profit distribution plan for 2020;
- Upgrade of the current core system plan for 2020;
- Business Activities Plan for 2020;
- Other matters within the scope of the BOD.

In 2020, the BOM directed the Company and its daily operations effectively and in compliance with the Laws and the Company Charter as well as adaptive to market fluctuation, whereby bringing impressive results.

II. SUPERVISORY BOARD'S ACTIVITIES REPORT



Resolving enquiries from shareholders

In 2020, the Supervisory Board did not receive any enquiry nor request from shareholders and investors regarding The Company business operations.

Conclusion

By doing the monitoring activity in 2020, the Supervisory Board concluded that the BOD and the BOM have successfully performed their roles in managing and operating the Company in compliance with the Laws and the Company Charter. The BOD has successfully guided the BOM to complete all resolutions made by the Shareholders General Meeting.



Action Plan for the Supervisory Board in 2021

In 2020, VDSC has achieved the impressive results with the highest profit since its establishment. In order to keep promoting the results and strengthen VDSC's position, the Supervisory Board has set the action plans for 2021 as follow:



Ensuring that the BOM will continue to promote business activities, especially those that can generate high revenues with lower risks such as Financial Services, Brokerage, and Investment Banking in order to secure the profit target of 2021 and at the same time, strengthen the new business activities such as bond.



Constantly improving operations, increasing monitoring activities towards the BOD and the BOM over the daily operations of the Company as well as strengthening the coordination among the BOD, the Management Board, and the Supervisory Board;



Communicating, supporting, and making recommendations to the BOD & the BOM regarding tasks & improvements in order to develop the effectiveness of the management activities.



Supporting the BOD in giving direction to the BOM to push the development of business activities, especially the revenue-driven segments such as Financial Services, Brokerage, Proprietary Investment, and Investment Banking (IB) to help the Company achieve and exceed the revenue & profit targets set by the Shareholders General Meeting.



Strengthening risk management activities, focusing on identifying crucial factors that can severely affect the Company's business;



Continuing monitoring activities regarding compliance with the current Laws, the Company's Charter, and the Resolutions from the BOD as well as reviewing quarterly, semi-annual, annual financial statements and information disclosure.

III. REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS & SUPERVISORY BOARD

Remuneration for the BOD and the Supervisory Board

Viet Dragon's Annual General Meeting is the agency that decides the level of remuneration for the Board of Directors and the Supervisory Board. According to the Resolution of the General Meeting of Shareholders No. 01/2020/NQ-DHDCD dated May 28, 2020, the remuneration of the Board of Directors and the Supervisory Board in 2019 was VND 519,7 million, and the remuneration plan for the Board of Directors and the Supervisory Board in 2020 was equal to 1.5% (one point five percent) of total profit before tax of 2020.

Based on the actual business situation in 2020, the amount of remuneration for the Board of Directors and the Supervisory Board in 2020 is as follows:



Net profit 2020	Remuneration for the BOD and the Supervisory Board
192,660,000,000 VND	2,014,000,000 VND

Bonus regime and other remuneration for members of the Board of Directors and the Supervisory Board

In addition to the remuneration regime approved by the Annual General Meeting of Shareholders for the activities of the BOD and the Supervisory Board, non-executive or independent members of the BOD and members of the Supervisory Board did not receive any bonus from the Bonus and Welfare fund of the Company. Specialized members of the BOD, besides remuneration, receive salary and compensation according to the Company's scheme.

Shares transactions of internal and related people

In 2020, there were 02 transactions of Viet Dragon's internal personnel and related people as follow:

NO.	Name	Relationship	No.of shares before transaction		No.of shares after transaction		Type of transaction
			No.of shares	%	No.of shares	%	
1	Ms. Nguyen Thanh Loan	Chairman's wife	0	0%	660,000	0.66%	Personal investment
2	Viet Dragon Fund Management	Mr. Nguyen Mien Tien – General Director, is Chairman's brother	660,000	0.66%	0	0%	Re-structuring portfolio

Shares transactions between the company with related people, major shareholder(s), internal people or related people:

In 2020, there was no transactions between the Company with related people, major shareholder(s), internal people and related people(s).

IV. RISK MANAGEMENT

In 2020, with the accomplishment of the strategic plan for the period 2021-2025 on a comprehensive digital transformation basis, Viet Dragon continued to perfect the organizational structure and risk management framework, following the model of "Three lines of defense". Based on this defense model, each department with a specific role will coordinate to identify, assess and mitigate risks.

Risk management framework overview

Viet Dragon Securities Corporation's risk management framework is operated on effective governance model, ensuring that supervising activities comply with regulations, clear assignment as well as a high awareness of responsibilities from all personnel. The year 2020 marked a significant milestone in consolidating Viet Dragon's governance system. The Risk management and Internal control Department, Legal Department and other related professional departments conducted periodic review and update to the process to ensure compliance with the current regulations, enhance the level of proactive risk identification, measurement and control. Accordingly, take it as the ground to build a foundation to complete digitalization of the Company's business and operation process in 2021, a crucial transformation for corporate governance, especially to strengthen the defensive wall in three lines.

BOARD OF DIRECTORS - SUPERVISORY BOARD – AUDIT COMMITTEE

EXECUTIVE BOARD (BOARD OF EXECUTIVES - SENIOR MANAGERS)

Owning risk management – Operational management

These units are responsible for seeking appropriate business opportunities in accordance with the framework of the strategic risk management goals and the Company's compliance requirements. These units consider risk management activities as an essential activity in their daily tasks.

Risk monitoring - Risk management, compliance, legal

The goal of this line is to set standards and expectations for effective risk management and control. This line of defense closely collaborates with the first line in risk management activities, and simultaneously ensures independent control functions to review, measure, and verify operational activities, issues independent assessments and reports on risk management to the Executive board and state management agencies.

Risk Assurance – Internal Audit

This unit has the function of monitoring the effectiveness of managing measures across various functions and business segments, including risk management and management practices. This line of defense demonstrates audit and review functions including operational competence, defense mechanism, reporting and compliance activities to the Company, and full and independent reports for BOD.



IV. RISK MANAGEMENT

Primary risks in Viet Dragon's business operation and governance

As a participant in the securities market, Viet Dragon is fully aware of the constant risks in the process of doing business. Having identified the existence of risks, the importance and necessity of effective risk management, Viet Dragon has enacted and strictly enforced the Risk Management Framework, together with Regulations and Risk management procedures.

Types of risk	Documents	Current Regulations
Risk management framework	<p>The risk management policy includes the following main risks:</p> <ul style="list-style-type: none"> ○ Market risk ○ Payment risk ○ Liquidity risk ○ Operation risk ○ Legal risk <p>Risk limit management policy will be in accordance with specific types of risk.</p>	<p>Decision No. 26/2013 Decision of Board of Director.</p>
Risk management procedures	Risk management procedures	<p>Decision No. 228/2013 Decision of General Director</p>
Risk limit regulations	<p>Regulations on risk limit management policy for material risk:</p> <ul style="list-style-type: none"> ○ Market risk ○ Payment risk ○ Liquidity risk ○ Operation risk ○ Legal risk 	<p>Decision No. 02/2020 Decision of Board of Director</p>
Anti-money laundering regulations		<p>Decision No. 151/2019/ Decision of the Internal Audit Committee</p>

Market risk

Market risk is the risk that changes the value of existing assets in unfavorable directions such as reducing price of securities in proprietary trading portfolios or in margin lending, or devaluing existing assets that the Company owns. The following measures have been continuously built and improved to suit the market:

1. Proprietary trading: Stock investment activities are directly influenced by the market with the stock portfolio fluctuating accordingly:

- ▶ The investment committee selects, analyses, and evaluates feasible investment portfolios;
- ▶ Determining, setting investment ratio allocating to each company and industry;
- ▶ Having specific long-term and short-term investment policies;
- ▶ Observing market fluctuation, updating information for current holdings or prospective holdings;
- ▶ Comparing market price with expected profit or discount range within permitted limit price to make timely decisions.
- ▶ Diversifying investment portfolios and business activities: proprietary investment and bond trading.

2. Margin lending activities:

- ▶ Selecting margin portfolio under the pre-determined criteria. To manage a portfolio of margin lending securities, Viet Dragon Securities Corporation establishes Investment Committee with experienced staff. The Committee will review and issue the portfolio of margin trading securities monthly. Besides, Viet Dragon regularly monitors announcements of the Stock Exchange (HSX, HNX) to promptly update securities permitted for margin trading and those that are excluded from the list. Hence, promptly notify customers and take appropriate handling measures;
- ▶ Setting a reasonable margin rate for each type of margin security;
- ▶ Regularly monitoring and assessing the market fluctuation to change the securities in the margin portfolio accordingly;
- ▶ Daily updating the list of securities that are ineligible for margin trading on the two stock exchanges;
- ▶ For monitoring, managing margin accounts, and handling collaterals: Viet Dragon has established Financial Services Department to manage customers' margin trading accounts and promptly notify when the clients' portfolio is discounted, take strict action when the list reaches margin threshold;
- ▶ The management of margin trading services is based on a high-tech management system, constantly updated according to market movements, thereby helping in-charge personnel to be proactive in their work and follow clients' investment portfolio. In addition, customers can also get update on any changes regarding their investment through methods such as SMS, email and account tracking support via online trading applications that can be installed on multiple devices.

IV. RISK MANAGEMENT

Primary risks in Viet Dragon's business operation and governance



Liquidity risk: Liquidity risk occurs when the Company cannot make due financial payments or is unable to convert financial instruments into cash with fair value in the short term, due to the lack of liquidity in the market.

- Appropriately balancing source of cash flow;
- Scheduling payment for proactive approach: Setting annual budget plan with quarterly/monthly adjustments based on actual situation; planning on daily cash flow to estimate the reasonable amount;
- Expanding relationships and signing credit limit contracts with credit institutions for borrowings in case of need.

Payment risk is the risk arising from a company's inability to meet its debt obligations, leading to some losses for the company. This risk arises in deposit sector, to banking financial institutions, or investment loans to a group of large customers. Therefore, customer credit appraisal has been significantly focused on.

- The activities of determining margin lending to customers are assessed and controlled by business departments and the Internal Control and Risk Management department through:
- Contracts with strict regulations, thorough understanding of clients, transactions assurance, evident documents, and using safest payment methods;
- Payment for margin trading: Ensuring the maximum funding limit for one customer; selling margin trading securities and recovering loans following regulations on margin trading rate to be handled;
- Term deposit at bank: Choosing prestigious credit institutions and avoiding putting all deposits in the same bank.
- Periodically reviewing all margin-trading loans, taking measures to immediately handle and recovering debts from loans with potential risks.

Operation risk: occurs due to technical errors, systematic errors, process errors, human errors in the operation process, or lack of business funds due to operational expenses, losses from investments or other objective reasons, including risks arising from personnel, information systems, and transactions.

Legal risk: arises from the Company's failure to comply with the legal regulations regarding business operations, or the termination of contract due to illegal contracts, exceeding power, lacking clauses or incomplete standards, or other reasons.

- Reviewing the legal status of partners before signing and performing contracts;
- Precisely evaluating partners' capability to perform the contract;
- Ensuring all terms and conditions comply with the law and are not detrimental to the Company;
- Regularly monitoring for timely detection of copyright disputes to avoid disclosing technology's confidential information and control rumors diminishing the Company's reputation;
- Complying with the State regulations on labor regime; ensuring the publicity and transparency of salary and compensation policies; securing employee's rights and obligations;
- Continuously and timely updating newly issued legal documents. Reviewing and inspecting the compliance of departments to detect possible legal risks during operation.

IV. RISK MANAGEMENT

Risk Management Process at Viet Dragon



The responsibility of risk identification remains with all departments including business divisions, products research departments, and operation departments.

Based on the data analysis system, indicators of risks tendency will be reported periodically.

Moreover, changes in legal regulations, recommendations of State authorities relating to business segments, and internal control procedures are constantly updated to all business units in Viet Dragon, enabling personnel to proactively identify activities with high potential risks, thereby determine risks that may occur in the future.

To guarantee business flexibility and adhere to risk management principles of the Company, Viet Dragon's Risk Management Department is responsible for measuring, evaluating, and classifying risk according to levels, using qualitative and quantitative methods, specified in Circular 226/2010/ TT-BTC dated December 31, 2010 and Circular 165/2012/TT-BTC dated October 9, 2012 of the Ministry of Finance. Accordingly, defining risk limit is a compulsory step in quantitative method (main method). Specifically, the risk limit is the amount of capital allocated by Viet Dragon to minimize the risk of causing loss to the entire company; this available capital is specified in Circular 87/2017/ TT-BTC dated August 15, 2017 on financial safety indicators and handling measures in case the company fails to meet the requirements.

Annually, based on the lost value and the percentage of plan completion in the previous period, the Board of Directors set the risk limit and allocates it to each activity. Decision No. 02/2020/ QD-HDQT on January 16th, 2020 on "Risk limit management" policy was applied in 2020.

Risk monitoring is performed by the Internal Control and Risk Management Department.

Based on the risk limits already allocated to the business operations, the Risk Management Department measures and recommends the General Director to build a warning threshold system for each business with a maximum of 90% of the allocated risk limit.

- Daily supervision will be exercised by the Head of Business Unit, where risks arise directly, based on the allocated limit. Meanwhile, the Risk Management Department will be in charge of overall limits for the whole company, and simultaneously supervise the risk management activities of each unit.
- Developing and applying risk management software with the aim of automating risk management activities and obtaining results quickly and accurately.

Risk treatment is reviewed and assessed on the ground of evaluation on the severity, characteristics and loss level of each risk category. During the time of risk treatment, all activities of the unit are under supervision of the Risk Management Department. When detecting risks exceeding the permitted level, this department will carry out the management process as follows:

- The Risk Management Division reviews and re-determines the estimated risks, causes and values of losses to report directly to the General Director;
- The violating unit has to submit explanations, propose resolving plans and processing time to the General Director right after Risk Management Department's reports.
- Implementing the selected treatment plans and requesting related departments to comply with the approved plan. During the time of risk treatment, all activities of the unit are under the supervision of the Risk Management Department.
- For cases regarding violations of safety, the Risk Management Policy will be applied.

IV. RISK MANAGEMENT

Key Risk Management activities highlight in 2020

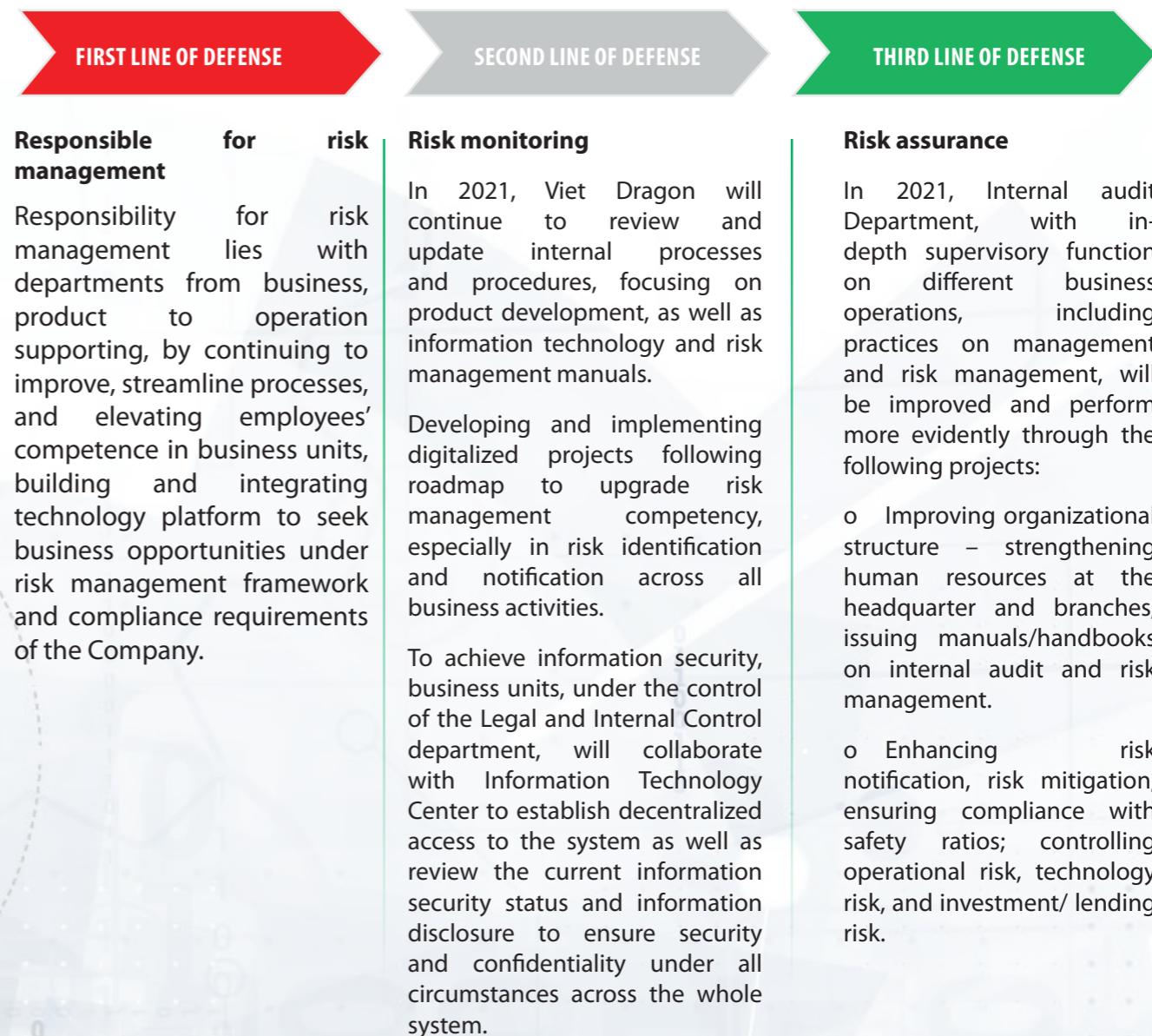
In 2020 and throughout the entire course of operation until now, owing to strict compliance with the Law, regulations, processes on Risk Management, as well as high attention in business operations, Risk management activities of Viet Dragon have recorded positive results, contributing to the stable and sustainable development of the Company.

Risk classification	Risk categories	Implemented Results in 2020
Risk limit management at Viet Dragon		<p>The total value of risk was lower than the total risk limit and less than 50% of the equity.</p> <p>General indicators of market risk, payment risk, liquidity risk, operational risk, and legal risk did not exceed the risk limit. Total average risk ratio in 2020 was 27.38%.</p>
Market risk	Proprietary trading	<p>The average market risk of proprietary trading activities reached 58.66% of the permitted limit, equivalent to the average risk value of VND 47.7 billion.</p>
Market risk	Margin lending operation	<p>The average market risk of margin lending activities reached 62.46% of the permitted limit, equivalent to the average risk value of VND 145.8 billion.</p>
Payment risk		<p>Average payment risk reached 1.53%, lower than the plan of 4%.</p>
Liquidity risk		<p>No liquidity risk arose.</p>
Operating risk		<p>Average operating risk reached 67.92% of the permitted limit, equivalent to the average risk value of VND 68.7 billion.</p>
Legal risk		<p>No legal risk arose.</p>

Risk Management Plan for 2021



Inheriting the foundation formed in 2020, with the drastic implementation of the development strategy for the period of 2021-2025 focusing on the goal of sustainable development, Viet Dragon has been improving its risk management framework with the "Three lines of defense", elevating risk management competence in each department with the support of digital platforms, streamlined operating processes, and the independent inspection and supervision of the Inspection and Compliance control department.



Risk Management Department, together with Information Technology Department of the Company, plan to deploy the risk management software following the three lines of defense for all units in the year 2021-2022. Accordingly, instead of periodically supervising, monitoring and reporting risk management in writing as before, the new software will give utmost support in monitoring the risk management of all units, therefore help units to quickly and promptly update the unexpected risks into risk management system to come up with proper assessments and effective risk mitigation measures.

V. STOCK INFORMATION AND INVESTOR RELATIONS

Inside Shareholders and Authorized person to disclose information:

	Name	Position	Restricted transferable shares (*)	Transferable Shares (*)	Total (*)	Percent-age of owner-ship (%)	Percent-age of Representative (%)
BOARD OF DIRECTORS			29,815,708	29,815,708	29.78%	0%	0%
1	Nguyen Mien Tuan	Chairman	-	17,810,953	17,810,953	17.79%	0%
2	Nguyen Thuc Vinh	Member	-	34,980	34,980	0.03%	0%
3	Pham My Linh	Member	-	11,921,276	11,921,276	11.91%	0%
4	Nguyen Hieu	Member	-	48,499	48,499	0.05%	0%
5	Hoang Hai Anh	Independent Member	-	-	-	0.00%	0%
6	Nguyen Quoc Bao	Independent Member	-	-	-	0.00%	0%
BOARD OF MANAGEMENT			175,175	175,175	0.18%	0%	0%
1	Nguyen Thi Thu Huyen (*)	General Director	-	106,964	106,964	0.11%	0%
2	Le Minh Hien	Deputy General Director cum Finance Director	-	68,211	68,211	0.07%	0%
3	Duong Kim Chi	Chief Accountant	-	-	-	0.00%	0%
SUPERVISORY BOARD			5,500	5,500	0.01%	0%	0%
1	Ho Tan Dat	Chairman	-	-	-	0.00%	0%
2	Nguyen Van Minh	Member	-	5,500	5,500	0.01%	0%
3	Nguyen Thi Thuy Hang	Member	-	-	-	0.00%	0%
TOTAL			30,044,882	30,044,882	29.97%	0%	

(Source: List of Shareholders as of 05/03/2020)

Ownership Structure:

(Source: List of Shareholders as of 05/03/2020)

Category	Number of shares	Percentage of Ownership (%)
I. Inside Shareholders	30,044,882	29.97%
II. Treasury shares	-	0.0%
III. Other Shareholders	70,055,024	70.03%
1. Local	69,654,774	69.58%
1.1 Individual	69,562,821	69.49%
1.2 Institution	91,953	0.09%
2. Foreign	400,250	0.4%
2.1 Individual	110,354	0.1%
2.2 Institution	289,896	0.3%
TOTAL	100,099,906	100.0%

Major shareholders:

(Source: List of Shareholders as of 05/03/2020)

	Number of Common Stocks	Contributed Capital value	Percentage of Ownership
		VND	VND
Nguyen Mien Tuan	17,810,953	178,109,530,000	17.79%
Nguyen Xuan Do	17,000,000	170,000,000,000	16.98%
Pham My Linh	11,921,276	119,212,760,000	11.91%
Other shareholders	53,367,677	533,676,770,000	53.32%
	100,099,906	1,000,999,060,000	100%

(*) On 07/04/2021, Mrs Nguyen Thi Thu Huyen was assigned as additional member of the Board of Directors of Viet Dragon Securities Corporation for the term 2017- 2021.

V. STOCK INFORMATION AND INVESTOR RELATIONS

Shares' Information

(Source: List of Shareholders as of 05/03/2020)

Total of shares:	100,099,906	Shares
Type of outstanding shares	Common	
Par value:	10,000 dong/share	
Treasury shares:	0	Shares
Number of outstanding shares:	100,099,906	Shares
Number of restricted shares:	0	Shares
Number of freely transferable shares:	100,099,906	Shares

Shareholders' equity ratio:

(Source: List of Shareholders as of 05/03/2020)

	Category	Stocks	Percentage of Ownership (%)	Number of Shareholders	Shareholder structure	
					Institution	Individual
1	State's shareholders	-	0.0%	-	-	-
2	Major shareholder	46,732,229	46.7%	3	0	3
	- Local	46,732,229	46.7%	3	0	3
	- Foreign	-	0.0%	-	-	-
3	Treasury Shares	-	0.0%	-	-	-
4	Other Shareholders	53,367,677	53.3%			
	- Local	52,967,427	52.96%	2,568	23	2,545
	- Foreign	400,250	0.4%	29	9	20
	TOTAL	100,099,906	100.0%	2,600	32	2,568
	Local	99,700,038	99.6%	2,571	23	2,545
	Foreign	400,250	0.4%	29	9	20



CHAPTER 5 SUSTAINABLE DEVELOPMENT

- **GRI 100: UNIVERSALS STANDARDS**
- **GRI 200: ECONOMIC STANDARDS**
- **GRI 300: ENVIRONMENT STANDARDS**
- **GRI 400: SOCIAL STANDARDS**
- **GRI STANDARDS TABLE OF REFERENCE**
- **PLAN FOR SUSTAINABLE DEVELOPMENT IN THE NEXT 5 YEARS**

TỔNG QUAN
**GRI
100**

GRI 100 UNIVERSAL STANDARDS

GRI 101 → OVERVIEW ON SUSTAINABLE REPORT

2020 is the third year Viet Dragon prepares the Sustainable Development Report. This report is compiled annually, based on the performance of the company in the year, showing Viet Dragon's effort to make an impact on three factors: Economics, Environment, and Society. In this year's report, Viet Dragon still stays true to its principles of integrity and impartiality in disclosing information and at the same time quickly updates on changes in standards in the reference documents to help investors, shareholders, and management agencies have an overview of the Company's business operations and sustainable development orientation.

SCOPE AND SCALE OF THE REPORT

Viet Dragon's Sustainable Development report is integrated into the Annual report, and will have the same scope and scale as the Annual report.

STANDARDS IN APPLIED

This report is based on the GRI (Sustainable Reporting Standards) – by the Global Reporting Initiative. The structure of the report will be clearly stated the four following key points:

- GRI 100 – Universal Standards
- GRI 200 – Economics
- GRI 300 – Environmental
- GRI 400 – Social



Documents that are used as references for Viet Dragon's Sustainable Development Report includes

- GRI (Sustainable Reporting Standards) – 2016 by the Global Reporting Initiative
- Resolution 136/NQ-CP dated 25/09/2020 on Sustainable Development;
- 17 sustainable development goals by the United Nations until 2030;
- Corporate Sustainability Index (CSI) developed in 2016 by the National Council for Sustainable Development (VBCSD) and Vietnam Chamber of Commerce & Industry (VCCI).



REPORTING PRINCIPLES

Reporting principles for defining report content	Reporting principles for defining report quality
Stakeholder Inclusiveness	Accuracy
Sustainable context	Clarity
Materiality	Balance
Completeness	Timeliness
	Comparability
	Reliability

CONTACT

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Office of the Board of Directors

Mr. Nguyen Van Dong

Managing Director cum Head of BOD Office,
Assistant to Chairman.

- dong.nv@vdsc.com.vn
- +84 28 6299 2006 Ext: 1312



GRI 102 • GENERAL DISCLOSURES
OVERVIEW ON VIET DRAGON SECURITIES CORPORATION

GRI 102-1	Page 12	Name of the organization
GRI 102-2	Page 12	Activities, brands, products and services
GRI 102-3	Page 12	Location of headquarters
GRI 102-4	Page 12	Location of operations
GRI 102-5	Page 12	Ownership and legal form
GRI 102-6	Page 12	Markets served
GRI 102-7	Page 12	Scale of the organization
GRI 102-11	Page 117	Precautionary principle or approach
GRI 102-14	Page 134	Statement from senior decision-maker
GRI 102-15	Page 136	Key impacts, risks, and opportunities
GRI 102-18	Page 138	Governance structure
GRI 102-20	Page 138	Executive-level responsibility for economic, environmental, and social topics
GRI 102-40	Page 139	List of stakeholder groups
GRI 102-42	Page 139	Identifying and selecting stakeholders
GRI 102-43	Page 140	Approach to stakeholder engagement
GRI 102-44	Page 140	Key topics and concerns raised


**MESSAGE FROM THE CHAIRMAN
ON SUSTAINABLE DEVELOPMENT**

(Scope of the report: GRI 102-14# Statement from Senior decision-maker)

With the ambition to successfully build up a financial and investment ecosystem for the business community and Vietnamese people, Viet Dragon believes that its role does not solely rest with providing financial solutions and top investing products for businesses and individuals, or creating jobs and income for workers, but further, to initiate a positive and effective contribution to the financial market, the economy of Vietnam, and the society.

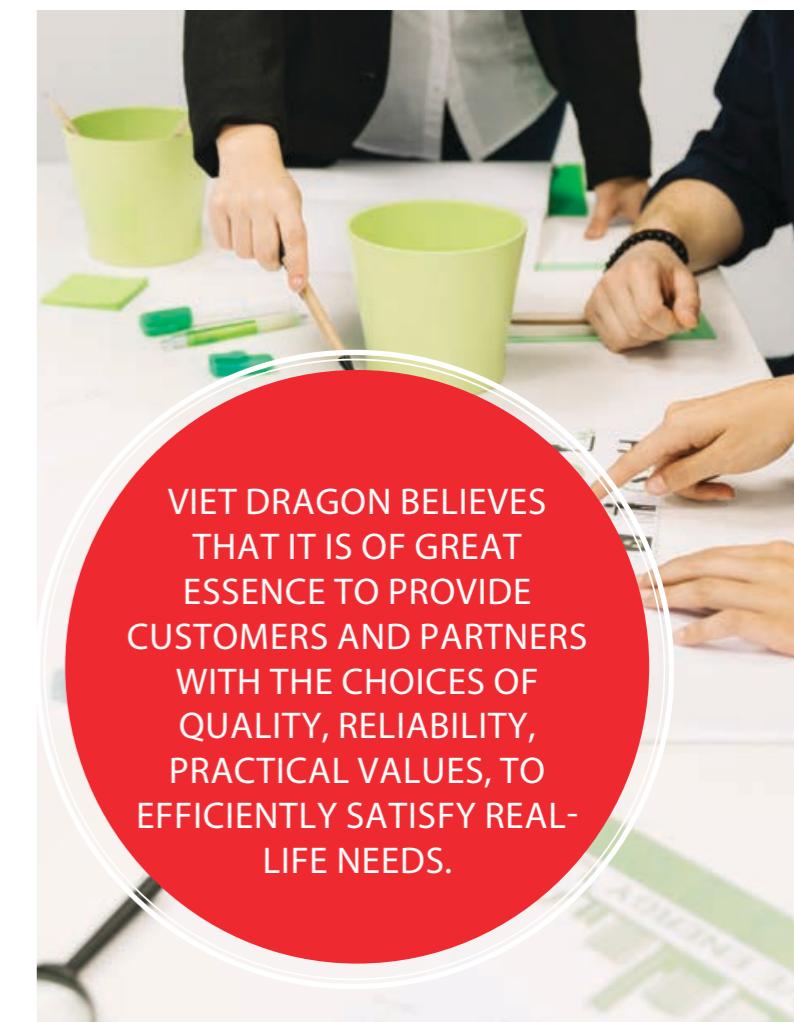
Mr. Nguyen Mien Tuan - Chairman



As for business activities, Viet Dragon always keeps up the law-abiding attitude, respects and complies with the provisions of the law in business activities and strives to improve the criteria of publicity and transparency. In terms of products and services, Viet Dragon believes that it is of great essence to provide customers and partners with the choices of quality, reliability, practical values, to efficiently satisfy real-life needs. To Viet Dragon, sustainable development is also coherent with the investment in human resources through various activities ranging from professional training to extracurricular activities, and social activities.

Moreover, Viet Dragon always tries to seize the opportunities to contribute to the community through volunteer activities, livelihood and education support in distressed areas.

As a public company, Viet Dragon is well aware of the intertwining relationship between businesses and the community, and therefore, the company believes contributing to the community is one of the most important goals in the development journey. In the future, Viet Dragon will endeavor to equip the market, customers, shareholders and partners with a safe investment environment, ensure every member with an effective workplace, abundant growth opportunities, and continue to make humane and comprehensive contributions to the community in general.



**VIET DRAGON BELIEVES
THAT IT IS OF GREAT
ESSENCE TO PROVIDE
CUSTOMERS AND PARTNERS
WITH THE CHOICES OF
QUALITY, RELIABILITY,
PRACTICAL VALUES, TO
EFFICIENTLY SATISFY REAL-
LIFE NEEDS.**

VIET DRAGON'S SUSTAINABLE DEVELOPMENT TARGETS

(Scope: GRI 102-15# Key impacts, risks, and opportunities)

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**THE SUSTAINABLE FUTURE
BEGINS WITH THE FOUNDATION
WE BUILD TODAY**



Entering the year 2020, global enterprises in general, and Vietnamese enterprises in particular are taking steps to adapt to the new era, the era of digital technology - when the Cyber-Physical System has been making great influence on all professions and fields in life and society. This distinct era will speed up the production development process, swiftly upgrade society, and break the traditional principles of the past.

Putting ourselves in that position, 2020 is the year when Viet Dragon welcomes vigorous and drastic changes, from strategic thinking to execution plans, along with organizational restructuring. Moreover, Viet Dragon is also aware that business strategy innovation is always associated with a sustainable development strategy on the basis of a harmonious combination of three factors: Economy, Society and Environment. Therefore, the building of the knowledge foundation, technology foundation, cultural foundation that the company places in the context of social ecosystems and green environment will become the focal point of the sustainable development objectives of Viet Dragon in the next 5 years from 2021 to 2025.



**BUILDING FOUNDATION
EMBRACING FUTURE**

RISK ACKNOWLEDGEMENT AND MANAGEMENT APPROACH

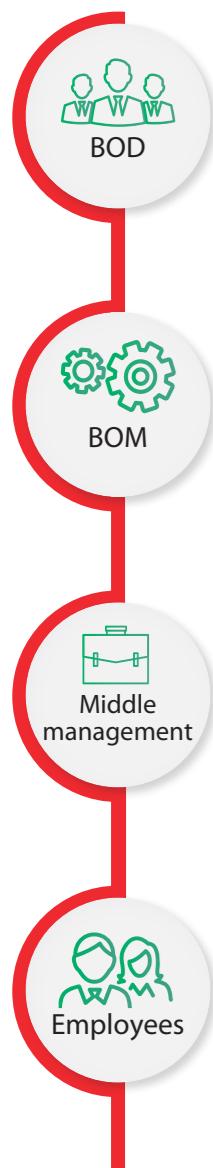
(Scope of the report: GRI 102-15# Key impacts, risks, and opportunities)

Risks	Detail	Management approach
 Strategy risks	The Company may not be operating following the overall development strategy.	Completing the internal inspection system, audit and risk management in the whole system, ensuring that all activities of Viet Dragon take place stably - safely - securely and are legitimate under all circumstances.
 Finance risks	The need for flexible financial capital increases rapidly in times of volatility and intense competition.	Promoting revenue-generating activities, focusing on customer segments with high-profit margins and room for growth; continuing to improve operation methods, consulting quality, and service quality. Improving processes-management methods through digitizing, streamlining regulations and processes to control costs strictly and reasonably. Expanding capital mobilization channels.
 Operating risks	The difference in operation method under the new strategy on the digital transformation platform as compared to the traditional operating mechanism.	Restructuring the organizational model and complementing mechanisms and policies; improving the management - operating method to best serve the development requirements. Emphasizing the recruitment of additional quality human resources, focusing on training activities to ensure human resources for the expansion and development process.
 Brand risks	Competition within the industry as enterprises are making relentless efforts to sharpen their competitiveness.	Enhancing the engagement of existing customers and choices of the new customer, developing and exploiting through internal and online cross-selling channels, technology products and, specific communication plans and programs. Each member of Viet Dragon must be an ambassador for the company's brand: raising the awareness of leaders and employees about the value of the Company's brand, encouraging communication of positive information, images, redesigning the website, Facebook page ... to show the professionalism of Viet Dragon brand. Increasing value to the brand by promoting business activities to improve and enhance the position of Viet Dragon in the following activities: Brokerage, IB, Asset Management; participating in national and regional awards.

SUSTAINABLE DEVELOPMENT GOVERNANCE STRUCTURE OF VIET DRAGON

(Scope of the report: GRI 102-18 # Governance structure; GRI 102-20 # Executive-level responsibility for economic, environmental, and social topics)

Since the very first days of becoming an official member in the financial-stock market, the Board of Directors of Viet Dragon has always determined that good corporate governance is an inevitable foundation for stable, efficient business operation and sustainable development. Specifically, Viet Dragon's governance structure and executive responsibilities for economic, environmental, and social factors are as follows:



- Determining the sustainable business strategy of Viet Dragon
- Passing on operational objectives and directions
- Providing timely guidance, recommendations and support to the Executive Board
- Consulting the Supervisory Board, sub-committees/ sub-council

- Directing the implementation of sustainable business strategies
- Ensuring implementation of activities to achieve sustainable development goals
- Conducting internal corporate relations
- Consulting Internal Control and Risk Management Department, Legal Department

- Implementing and materializing the sustainable development goals
- Directly deploying and materializing pre-set goals; disseminating to the subordinates
- Working closely with the Internal Control and Risk Management Department, the Legal Department

- Performing daily tasks according to the sustainable development goals set by middle management
- Periodically reporting to direct manager to promptly make appropriate adjustments
- Complying with the regulations on risk management and internal management of the Company



CONNECTING STAKEHOLDERS FOR VIET DRAGON SUSTAINABLE DEVELOPMENT GOAL

(Scope of the Report: GRI 102 – 40# List of stakeholder groups; GRI 102- 42# Identifying and selecting stakeholders; GRI 102-43#Approach to stakeholders engagement; GRI 102-44# Key topics and concerns raised)



RELATED PARTIES PRIORITY MODEL

APPROACH TO CONNECT STAKEHOLDERS

With the view to continuously maintaining and developing sustainable, strong relationships and ensuring the interests of all stakeholders, Viet Dragon constantly improves and regularly launches open communication channels, to boost information exchange and receive feedback from the target groups. This process encourages the participation of all parties and helps Viet Dragon to have a multi-dimensional and comprehensive view of the pre-determined sustainable development goals, as well as promptly make strategic adjustments and solutions to adapt to the new age.

Stakeholders	Concerns	Approach
 CUSTOMERS	<ul style="list-style-type: none"> Investment efficiency Risk mitigation Time -saving Reasonable fee Reliability Usefulness Capital connection Brand reputation Investor engagement and Investor relations Information clarity 	<ul style="list-style-type: none"> Direct consulting and communicating at Head Office and Branches Online consulting via CallDragon Call Center Exchanging information with a telephone counselor, or in-person meeting smsDragon, mailDragon, chatDragon Systems Customer support through Viet Dragon's Support site: http://www.vdsc.com.vn/vn/pages.rv?id=105 Online survey on service product quality of Viet Dragon at: http://www.vdsc.com.vn/vn/survey.rv Comment boxes placed at transaction counters Interacting with customers through Zalo channel, Fanpage Livestreaming activities
 EMPLOYEES	<ul style="list-style-type: none"> Good Human resources policy Gender equality Training and developing policy Collaborative working environment Diverse career paths Empowering employees with skills and motivations to solve problems independently 	<ul style="list-style-type: none"> Ceremony to summarize the activities of the year Conference of Trade Union, Staff members Direct discussing and exchanging during the course of working Evaluating emulation quarterly and annually Carrying out survey, obtaining suggestions on issues such as training demand, Collective labor agreement terms,... Internal training programs Team building activities



Stakeholders	Concerns	Approach
 INVESTORS/ SHAREHOLDERS	<ul style="list-style-type: none"> Information disclosure and transparency Effective risk management Improving company competitiveness and reputation Applying reasonable and flexible financial leverage Building and developing sustainably together 	<ul style="list-style-type: none"> General Meeting of Shareholders Meeting and discussing with major shareholders, strategic shareholders Providing and disclosing information on Investor Relations page of Viet Dragon's website: http://www.vdsc.com.vn/vn/pages.rv?id=104 Financial statements, corporate governance reports of the Company Email, documents to shareholders / investors
 AUTHORITIES	<ul style="list-style-type: none"> Strictly complying with legal regulations Responsible investments Contributing to the State budget Taking full responsibilities as a member of the stock market 	<ul style="list-style-type: none"> Participating in Conferences, Forums, and Congresses organized by administrative authorities Disclosing information in accordance with the law Consulting and contributing opinions on regulations and policies Complying with the regulations
 MEDIA	<ul style="list-style-type: none"> Connecting and exchanging information Connecting with the business community Presenting investment opportunities Effective connectivity 	<ul style="list-style-type: none"> Connecting and exchanging information with Press agencies Sponsoring activities
 SOCIETY	<ul style="list-style-type: none"> Helping difficult circumstances Investing in education and young generation Raising awareness on environmental protection Using resources properly Sharing responsibility with social communities and protecting the green ecosystems 	<ul style="list-style-type: none"> Participating in charity activities, helping individuals and groups in difficult circumstances Support university students with activities such as company tours, job fairs, introduction about the stock market... Encouraging environmental protecting actions in the workplace and society Participating in social activities: protect the green environment, World Water Day



GRI 200 - ECONOMIC

GRI 201 → ECONOMICS PERFORMANCE

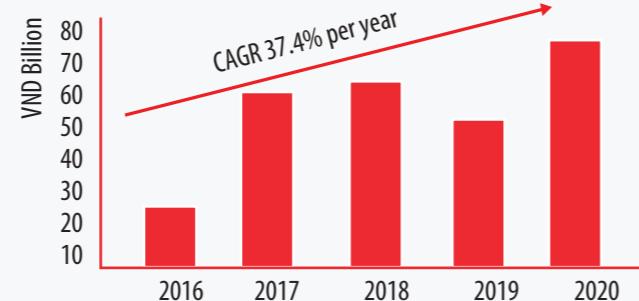
GRI 103: MANAGEMENT APPROACH

In addition to providing revenue-boosting orientations in the favorable context of the stock market in 2020, Viet Dragon always focused on the most reasonable distribution of revenue - profits to ensure contributions to the State Budget, payment of dividends to Shareholders, and remuneration for Employees.

SCOPE OF THE REPORT: GRI 201-1# DIRECT ECONOMICS VALUE GENERATED AND DISTRIBUTED



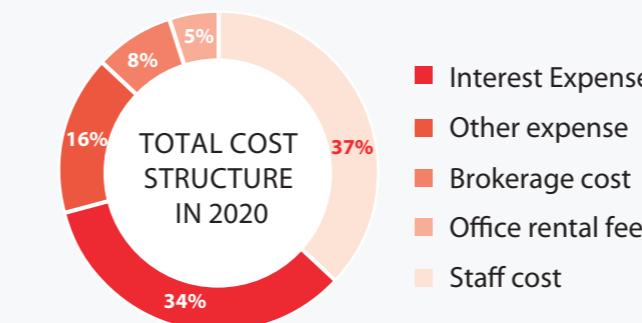
Contributing to the State Budget: In 2020, Viet Dragon contributed VND 74.01 billion tax payment and other Statutory obligations to the State Budget.



Ensuring Shareholders' rights with regular dividend payment policy:

- In 2020, based on the business results of the Company, on December 23, 2020, the Board of Directors agreed to the advanced payment of dividends for 2020 with a rate of 8% / par value, in which advance dividend payment in cash was 3% / par value. The Company completed the payment on January 28, 2021.
- In 2021, the Company plans to pay dividend at the rate of 8% / par value.

Ensuring the most comprehensive remuneration and welfare for employees



INSURANCE AND CIT

Total expense:

17,406,115,664 VND

- Social insurance
- Health insurance
- Severance
- Corporate income tax.



WAGE

Total expense:

56,525,364,311 VND

- Basic wage
- Sale salary
- December bonus
- Achievement allowance
- Unexpected bonus

TRAINING

Total expense:

207,626,900 VND

- In-house training
- Professional practice certificates
- Outside training for managers and employees.

BONUS AND WELFARE

Total expense:

2,511,717,967 VND

- Bonus for outperforming individuals
- Welfare expenses: Medical check-ups, accident insurance, surgery insurance, maternity allowance.

GRI 201 → ECONOMICS PERFORMANCE

Besides, in January 2021, Viet Dragon also closed the acquisition of 51% shares of Viet Long Securities Investment Fund Management Joint Stock Company, paving the way for the ambition to expand into the field of asset management, which is full of potential and in line with the trend of Vietnam's financial market.



The outstanding awards are the result of Viet Dragon's efforts in 2020:

- 01 Outstanding M&A consulting organization of Vietnam in 2019 - 2020 awarded by the 12th Vietnam M&A Forum.
- 02 Top 10 securities companies with the largest bond brokerage market share on Ho Chi Minh City Stock Exchange (HoSE) in Quarter III of 2020.
- 03 Top 10 securities companies with the largest share market share on UPCoM in Quarter IV of 2020.



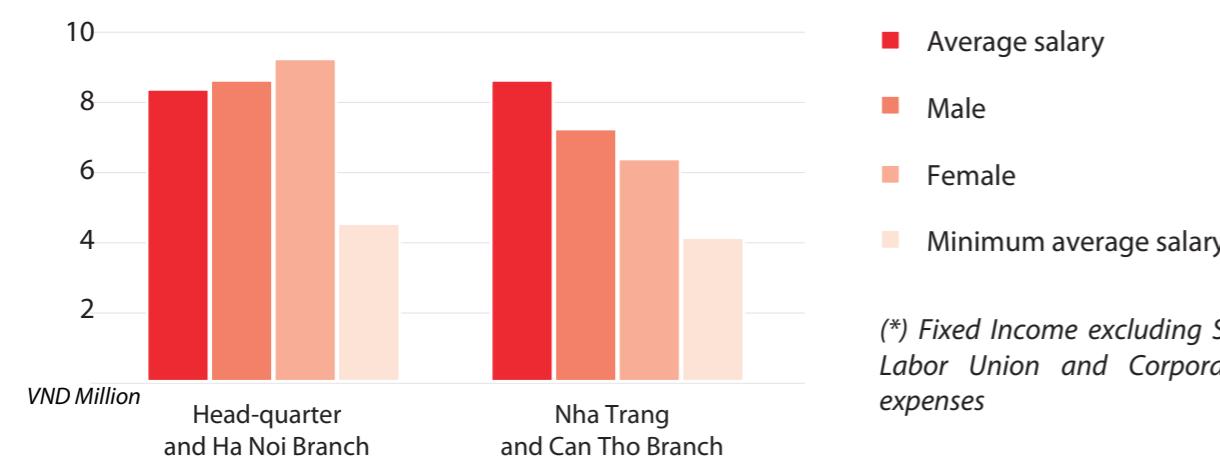
GRI 202 → MARKET PRESENCE

GRI 103: MANAGEMENT APPROACH

Viet Dragon always implements a fair and reasonable salary policy for employees, thereby offering an attractive working environment; contributes to advancing economic security for workers, which translates into positive impacts on families and community. Over the years, the average salary for both male and female staff in Viet Dragon has always been higher than the regional minimum wage.

SCOPE OF THE REPORT: GRI 202-1# RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE

Average salary in Viet Dragon and the minimum salary by region as of December 2020 (*)



GRI 203 → INDIRECT ECONOMIC IMPACTS

GRI 103: MANAGEMENT APPROACH

Viet Dragon always understands that the sustainable economic development of an enterprise does not only bank on the creation and distribution of the ultimate source of income, but also on the indirect impacts on the development of the stock market in particular and the Vietnamese economy in general.

SCOPE OF THE REPORT: GRI 203-2# SIGNIFICANT INDIRECT ECONOMICS IMPACTS

Transparent management of investors' assets

As of December 31, 2020, Viet Dragon has managed more than 84,000 accounts securely and confidentially, without any problems related to customer account information. Net asset value (NAV) of customers at Viet Dragon at the end of 2020 increased nearly 40% compared to the beginning of the year.



Proactively participating in the stock market

Proactively participating in member conferences, forums, seminars. Cooperating and supporting press and media agencies to improve the efficiency and transparency of information on the stock market: maintaining good relationships with the Press and joining regular meetings.



Participating in sponsoring programs and events organized by close press agencies (The Vietnam M&A forum 2020 of the Securities Investment Newspaper, sponsoring Information disclosing 2021 for Vietstock newspaper); carrying out the journalist appreciation activities.

Improving quality and diversifying services and products:

- Launching LiveDragon Premium Price List exclusively for Viet Dragon customers.
- Deploying, upgrading and improving comprehensively the online trading system iDragon.



Contributing to Vietnam Economy

Completing tax payment obligation for the State budget: with an annual compound growth rate of 37.4% / year in 2016-2020.

Always complying with the law: during 14 years in operation, Rong Viet has never been sanctioned for not complying with the law or any decree / circular issued by the competent authority.

Effective capital connection: in 2020, investment banking activities have had a breakthrough thanks to the signing of many consulting contracts of great value in various fields, especially in clean energy projects to support seeking capital for green businesses, contributing to creating jobs for local people and providing a stable tax revenue source for provinces.

GRI 205 → ANTI-CORRUPTION

With the law-abiding attitude, from the first days of operation, Viet Dragon always ensures to comply with the legal regulations on operations of securities companies, and at the same time, propagandizes, disseminates and provides training about anti-corruption for managers, employees and business partners. As the result, the Company has not had any recorded cases of corruption.



ENVIRONMENTAL

GRI
300

GRI 300 ENVIRONMENTAL

GRI 103: MANAGEMENT APPROACH



With more than 14 years of operating in the Financial and Securities industry, Viet Dragon's business activities do not directly and significantly affect the environment. Under the orientation of the Board of Directors, Viet Dragon delivers the spirit of proper use of energy and resources, which has become a part of the company's culture, thereby contributing to saving operation costs and minimizing the impact on the environment. Compliance inspection and supervision measures are always strictly enforced as a sustainable commitment of Viet Dragon in protecting the green environment.



GRI 301 MATERIALS



- Setting a quota of using printing paper proportionate to the needs of each office/department.
- Reusing single-sided printing paper for documents circulated internally.
- Switching from plastic stationery to paper or environmentally friendly alternatives.
- Operating step-by-step a paperless office to save space and manage data systematically.

GRI 302/303 ENERGY AND WATER & EFFLUENTS



- Imposing a time limit for electricity use in each area in the office, requiring registration for overtime-working.
- Periodical maintenance policy of electricity and water system.
- Internal communication on "Saving electricity and water" to protect these two precious resources.
- Checking and monitoring gasoline consumption of cars.

GRI 306 WASTE



- This is the third year that Viet Dragon has classified organic and inorganic waste.
- Encouraging employees not to use plastic bottles during meetings.
- Owing to the characteristics of the securities business, all business activities of Viet Dragon will not significantly affect wastewater quality in the region.

GRI 307 ENVIRONMENTAL COMPLIANCE



- During the past 14 years of operation, Viet Dragon has not been sanctioned for not complying with the law or any decree/ circular issued by the competent authority on the stock market.
- At the same time, the Company did not have any violations related to the failure to comply with the environmental regulations of the local authorities.

SOCIAL
**GRI
400**

GRI 400 - SOCIAL

GRI 103: MANAGEMENT APPROACH

In 2020, the Board of Management has implemented a strategy to profoundly and comprehensively develop human resources - the most important asset of the Company - by encouraging the development of personal knowledge to gradually build collective knowledge, respect diversity, strengthen cohesion, strive for work, dare to make changes, and breakthrough in awareness, be proactive and independent towards the sustainable development of the Company, thereby increasing customers' confidence in the reputation of Viet Dragon brand and bringing the highest values to Shareholders, Partners and Communities.

SCOPE OF THE REPORT:

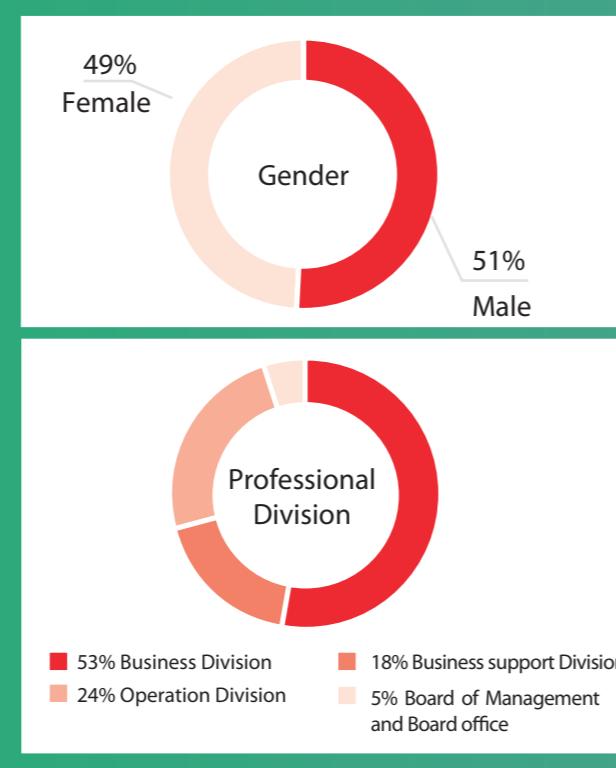
- GRI 401-1 New employee hires and employee turnover
- GRI 405-1 Diversity of governance bodies and employees
- GRI 405-2 Ratio of basic salary and remuneration of women to men

Diversification and balance of the workforce

The total number of current employees as of December 31, 2020 was 266 people, experienced a decrease of 9% compared to the total number of 290 employees at the beginning of the period (December 26, 2019) with the distribution structure by qualifications, gender, rank as follows:



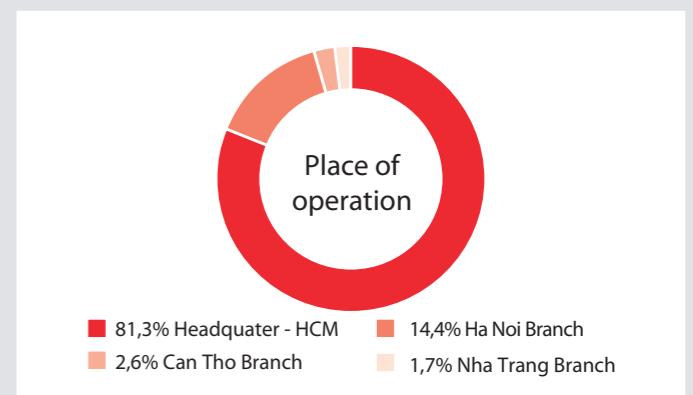
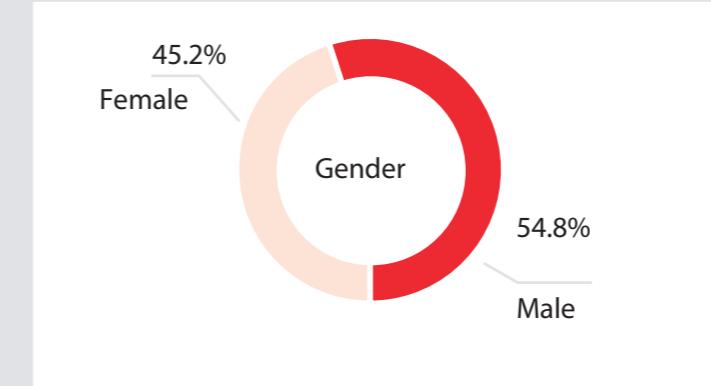
NEWLY HIRED EMPLOYEES
60 staff members (22.5%)



CEASED WORKING EMPLOYEES
80 staff members (30%)



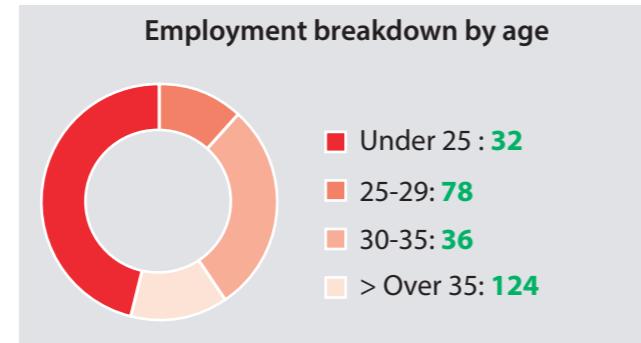
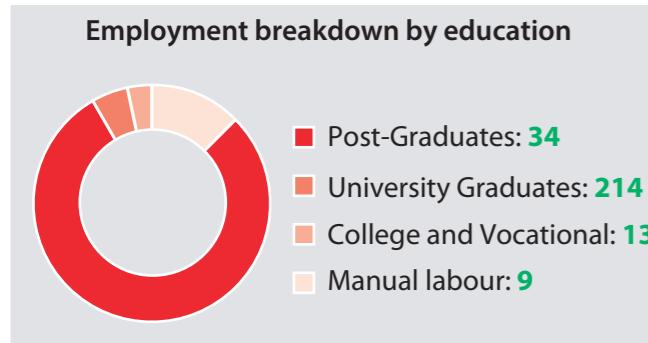
Total staff expense in 2020 (excluding Interns, Assistants, Contract Employees): **88,100,104,871** VND



The fairly balanced ratio of male and female employees in Viet Dragon also partly shows the Company's support for gender equality. At Viet Dragon, every employee has an equal opportunity to develop, regardless of gender. The increase in the number of female employees joining the management team, typically the General Director position held by Mrs. Nguyen Thi Thu Huyen, also proves the role of women in the organizational structure of Viet Dragon. Currently, the number of female employees in managerial level is 36 people, accounting for 49.3%.

The majority of the Company's team are young, dynamic, and enthusiastic staff (accounting for 50%). The company always creates favorable conditions for young potentials to join and offers many opportunities for them to demonstrate their capacity and development. The young generation is the main force contributing not only to sustainable development but also to the general development of the stock market.





CHARACTERISTICS OF RECRUITMENT ACTIVITIES IN CONSISTENT WITH THE SITUATION IN 2020

Time	University	Program	Target
Monthly	Universities in the Economics Major in HCM and Ha Noi City: Foreign Trade University, RMIT University, University of Economics, University of Economics and Law, University of Finance and Marketing, National Economics University, University of Commerce	Establishing relationships with Business Centers, Posting and recruiting internship monthly	Senior Students with major in Economics
2/2020	Hoa Sen University	Coordinating to receive periodic Interns	Senior students with major in Economics, Finance, Business Management
3/2020	Ho Chi Minh Open University	Evaluating and recommending training programs focus on Banking and Finance	Finance – Banking Department
4/2020	Ton Duc Thang University, HCM Industrial University	Conducting students evaluation program	Students currently having internships at Viet Dragon
4/2020	Foreign Trade University HCM City Campus	Sponsoring "Student with Finance" Competition	Senior Students of Finance

With the orientation to develop human resources in terms of both quality and quantity, the Company has passed new policies and regulations on evaluation criteria and re-screening existing personnel. Human resources in the Support and Supervision division also prioritize creating an environment for existing personnel to fully grow their capabilities, productivity and working efficiency before deploying additional, replacing recruitment. Also, the Company does not have an employee layoff policy in 2020.

CREATING OPPORTUNITIES FOR SUCCESSORS TO GROW

To perform its role in the community, Viet Dragon has cooperated with universities in Ho Chi Minh City and Ha Noi to recruit students for internship program such as Foreign Trade University, University of Banking, University of Finance and Marketing, Open University, University of Economics, National Economics University, ... Through internship programs, qualified individuals will be trained to become employees after the internship period, partially supplement human resources for future recruitment needs.


GRI 404

EDUCATION AND TRAINING



GRI 404 EDUCATION AND TRAINING

Scope of the report

- GRI 404-1 # Average hour of training per year per employee
- GRI 404-2 # Programs for upgrading employee skills and transition assistance programs
- GRI 404-3 # Percentage of employees receiving regular performance and career development reviews

01 Emphasizing on training programs to enhance work-force capability

In 2020, Viet Dragon spent **VND 207,626,900** on Training programs. By focusing on Training and Development, the workforce of the company has been highly appreciated in the market, in terms of professional qualification and skills.

	No. of training program	Training frequency	Number of hours of newly training program	Total expense	Proportion
Internal trainings (Professional, Skills, Human resource policy, ...)	5	192	141	14,876,900	7%
Professional qualification certificate trainings	18	63	624	157,400,000	76%
Outside training – Professional skill developing (Palo Alto PCNSE, CMA Finance and Strategic Management, Financial fraud identification method, Certified Ethical Hacker Version 10, ...)	5	9	156	35,350,000	17%
TOTAL	28	264	921	207,626,900	100%

Total average training hours of the whole Company in 2020 was 3.41 hours/person; in which the number for managerial staff was 2.2 hours/person/year and for employee was 3.8 hours/person/year.

Consequently, the Company currently has 72 employees with the Certificate in Professional Practice, including 47 certificates of Securities Brokerage, 15 certificates of Financial Analysis and 10 certificates of Fund Management.

Not only through the training courses, but Viet Dragon also give instructions on working manners in the form of notebooks given to employees, giving employees a tool to plan and sketch out solutions for themselves, solve problems independently, as well as track work progress by week, month, and year.



02

Practicing an employee rating system based on the increase in motivation for self-development

The company encourages employees to continuously learn to improve their professional qualifications, professional skills, sense of responsibility through supporting and remuneration – promotion mechanisms.

Diversifying emulation-commendation programs: both encouraging and motivating to fulfill business goals, and motivating employees to strive to boost productivity – working efficiency; associating quality - productivity - efficiency with income and promotion opportunities and self-development.

In the past year, 100% of employees had an assessment scale at the end of the year.



The company offered promotions for 31 officers, of which 42% were female



03

Building a team of enthusiastic and engaged personnel

Labor relations is an important factor in creating a working environment which ensures the long-term commitment of employees. Therefore, in 2020, Viet Dragon invested and implemented many programs to strengthen cohesion, solidarity and to "ignite fire" for employees.



GRI 413 THE SOCIETY
GRI 103: MANAGEMENT APPROACH

As the mission of Viet Dragon has determined, in addition to contributing to the development of the stock market, Viet Dragon will also share responsibility with the community and society through volunteer programs, helping out difficult circumstances, and creating conditions for the nurturing of young generations. These practical activities help Viet Dragon to deeply connect with the social community, towards sustainable development in the future.

The total amount contributed from employees and sponsors to the program was more than VND 133 million, of which VND 43 million was from the activity "Viet Dragon Runner - running for health and love". The year 2021 will certainly continue this tradition of volunteering. The company is surveying hometowns of Viet Dragon employees to implement the 10th "**Accompanying to school- Realizing dreams**" program before the new school year. Besides, the program "Spring with Love" continues to spread warmth to Tet holiday every spring.

SCOPE OF THE REPORT:

GRI 413-1 # Operation with local community engagement, impact assessments, and development program.

01 Sharing the responsibility with the community and the society

In 2020, Viet Dragon has implemented the program "**Accompanying to school- Realizing dreams**", a traditional activity of Viet Dragon, for the 9th season. The program took place in August 2020, at Le Hoang Chieu Primary School, one of the disadvantaged schools in Ben Tre province. Viet Dragon sponsored 10 scholarships with worth of VND 1 million each, 220 gifts including pairs of books and learning tools for poor and studious pupils. Besides, the Company also donated 30 sets of tables and chairs, 6 sets of computers and contributed to the school library with good books on various topics such as Exploring the World, Grateful Heart, or childhood fairy tales to nurture the soul, encourage reading habits and expand knowledge for the children.



Also in 2020, Viet Dragon was pleased to sponsor "VREC Charity Bridge Fund - HREC" with the aim of building and donating roads and bridges in rural area in the Central provinces to make transportation of goods easier, contributing to improving economic life, especially to ensure the safety of pupils when going to school. **The total funding cost was 100 million VND.**

GRI 413 THE SOCIETY
02 Developing the next generation

Accompanying with young people and nurturing future talents are activities that Viet Rong has been carrying out for a sustainable Viet Dragon, a social responsible enterprise. In 2020, Viet Dragon sponsored "Saigon University Companion Fund" with the desire to provide funding to the Companion Fund to award scholarships and grants to students who overcome difficulties and have the will to excel in studying. Students with outstanding performance and dedication in the process of studying and training at Saigon University will receive a total sponsorship of 50 million VND.



For career orientation purpose, Viet Dragon has helped young students to have real-life experience before making their own career decision with the following activities:

Time	University	Program	Target
14/10/2020	Vietnam-Japan University	Company tour: An overview of the 2020 macroeconomics and business strategies during and after COVID 19	Master of Business Management
19/11/2020	Ton Duc Thang University	Company tour: Security Career Guideline	Finance and Banking Major
26/11/2020	Ton Duc Thang University	Company tour: Security Career Guideline	Finance and Banking Major
22/12/2020	Van Hien University	Company tour: Security Career Guideline	Finance major
23/12/2020	Ton Duc Thang University	Company tour: Security Career Guideline	Finance and Banking major
24/12/2020	Ton Duc Thang University	Company tour: Security Career Guideline	Finance and Banking major

GRI 418 CUSTOMER PRIVACY
GRI 103 # MANAGEMENT APPROACH

As a business operating in the financial and securities industry, Viet Dragon pays close attention to ensuring a safe and efficient system in the context of a rapidly growing market. In addition, the Company also increased investment in system security to keep customers' information safe and secure, as a sustainable commitment of Viet Dragon on the prestige and value of customers.



SCOPE OF THE REPORT: GRI 418-1# Substantiated complaints concerning breaches of customer privacy and losses of customer data.

SPECIFIC ACTIONS:

In 2020, Viet Dragon invested significantly in technology through deploying and migrating a firewall system for partner connection, data encryption, endpoint detection and prevention technology, security operations center, network security, threat prevention measures and remote work at home (WFH) solutions via VPN Remote Access... The total investment cost of information technology was more than 8.9 billion.

In 2020, Viet Dragon did not record any complaints related to the breach of the right to confidentiality of customer information and loss of customer data.

GRI 419 SOCIOECONOMIC COMPLIANCE

GRI 103 # MANAGEMENT APPROACH

With a law-abiding attitude, from the very first days of operation, Viet Dragon always ensures to comply with the legal regulations on securities company operations. The Board of Directors attaches special importance to this matter, hence, does not accept any legal risks caused by intentional violations of the law caused by Company employees.

SCOPE OF THE REPORT: GRI 419-1 # Non-compliance with laws and regulations in the social and economic area.

SPECIFIC ACTIONS:

In 2020, all employees of Viet Dragon strictly complied with laws and regulations related to corporate operations. The Company did not record any records or notices related to the violation of laws and regulations related to the securities - financial industry.

GRI STANDARDS INDEX REFERENCE

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SUSTAINABLE DEVELOPMENT PLAN FOR THE NEXT 5 YEARS (2021-2025)



The year 2020 marked a drastic and vigorous change from the strategic thinking to the execution plan of Viet Dragon, to strive to become "the leading, most modern and effective financial institution in Vietnam". With that spirit, in the next 5 years, the entire body of Viet Dragon will unite together, strengthen engagement in work, dare to make changes, and advance knowledge and autonomy to seize more opportunities in the market, gain achievements, and contribute to the success of Viet Dragon in the digital transformation strategy, en route towards a sustainable future on the foundation of knowledge - culture - technology, based on harmonious combination of economic, social and environmental factors.



SUSTAINABLE PLAN FOR 2021- 2025

 VIET DRAGON'S TARGET	 IMPACT/ CONTRIBUTION TO THE COMMUNITY
 Become one of the leading, modern and efficient financial institutions in Vietnam with a diversified, flexible product range that meets the needs of different customer segments	 Providing a quality and reliable financial and investment ecosystem for Vietnamese on Vietnamese stock market, helping to increase investment value for shareholders; creating jobs for local communities
 Compliance with laws in business and operating activities	 Contributing to ensure the sustainability and security of the stock market in particular and the economy in general
 Improve the quality of human resources, increase internal training and extracurricular activities	 Creating a safe, civilized and encouraging working environment for employees
 Increasing charitable activities	 Contributing to and supporting difficult circumstances; contributing to building a green-clean-beautiful living environment
 Heading for the "Green office" (electricity saving, paper savings, ...)	 Minimizing negative impacts on the environment; building sustainable and environment-friendly consumption habits

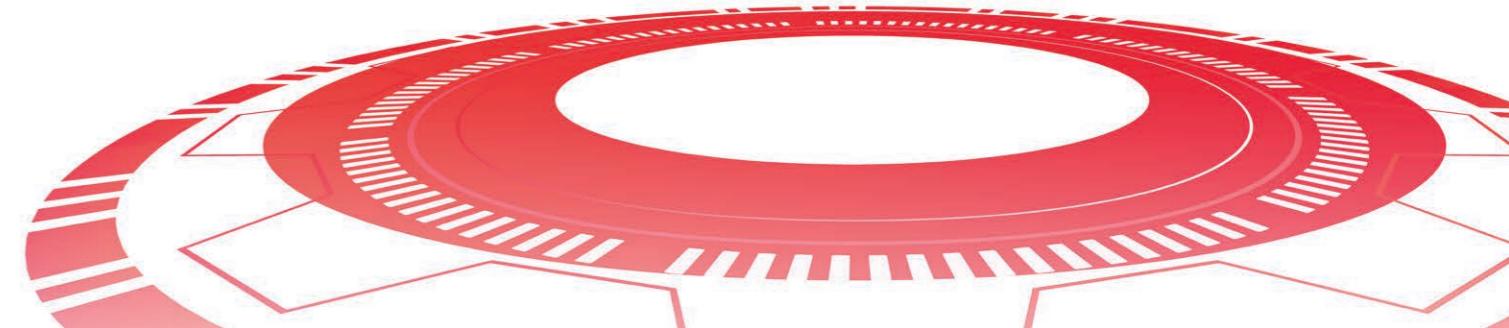




CHAPTER 6

FINANCIAL STATEMENTS

- GENERAL INFORMATION
- REPORT OF MANAGEMENT
- INDEPENDENT AUDITORS' REPORT
- STATEMENT OF FINANCIAL POSITION
- INCOME STATEMENT
- CASH FLOW STATEMENT
- STATEMENT OF CHANGES IN OWNERS' EQUITY
- NOTES TO THE FINANCIAL STATEMENTS



THE COMPANY

Viet Dragon Securities Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to Securities Trading License No. 32/UBCK-GPHDKD issued by the State Securities Commission on 21 December 2006 and subsequent amended licenses which the latest license is No. 46/GPDC-UBCK dated 5 August 2020.

The Company's primary activities are to provide brokerage service, securities trading, finance and investment advisory service, underwriting for securities issues, securities custodian service and derivatives service.

The Company's head office is located at 1-2-3-4 Floor, 141 Nguyen Du Street, Ben Thanh Ward, District 1, Ho Chi Minh City.

As at 31 December 2020, the Company has three (3) branches are located in Ha Noi, Nha Trang and Can Tho.

The number of the Company's employees as at 31 December 2020 is 266 persons (31 December 2019: 288 persons).

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are as follows:

TITLE	NAME	DATE OF APPOINTMENT/REAPPOINTMENT/RESIGNATION
Chairman	Mr. Nguyen Mien Tuan	Appointed on 28 May 2020
	Mr. Tran Le Nguyen	Resigned on 28 May 2020
Member	Mr. Nguyen Hieu	Reappointed on 23 March 2017
	Ms. Pham My Linh	Appointed on 23 March 2017
	Mr. Nguyen Quoc Bao	Appointed on 28 March 2018
	Mr. Nguyen Thuc Vinh	Appointed on 28 May 2020
	Ms. Hoang Hai Anh	Appointed on 28 May 2020
	Mr. Kelly Yin Hon Wong	Resigned on 28 May 2020
	Mr. Vo Long Nguyen	Resigned on 28 May 2020

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are as follows:

TITLE	NAME	DATE OF APPOINTMENT/REAPPOINTMENT/RESIGNATION
Head of Board	Ms. Nguyen Thi Oanh	Resigned on 28 May 2020
	Mr. Ho Tan Dat	Appointed on 28 May 2020
Member	Mr. Nguyen Van Minh	Reappointed on 23 March 2017
	Ms. Nguyen Thi Thuy Hang	Appointed on 28 May 2020
	Mr. Nguyen Thuc Vinh	Resigned on 28 May 2020

MANAGEMENT AND CHIEF ACCOUNTANT

Members of the Management during the year and at the date of this report are as follows:

NAME	TITLE	DATE OF REAPPOINTMENT/RESIGNATION
General Director	Ms. Nguyen Thi Thu Huyen	Appointed on 8 February 2021
	Mr. Nguyen Hieu	Resigned on 8 February 2021
Deputy General Director	Mr. Le Minh Hien	Appointed on 8 February 2021
	Mr. Nguyen Minh Nhut	Resigned on 30 June 2020
	Mr. Nguyen Chi Trung	Resigned on 26 August 2020
Chief Accountant	Ms. Duong Kim Chi	Appointed on 8 February 2021
	Mr. Le Minh Hien	Resigned on 8 February 2021

LEGAL REPRESENTATIVE

From 1 January 2020 to 28 May 2020, the legal representative of the Company is Mr. Tran Le Nguyen, Chairman.

From 28 May 2020 to the date of this report, the legal representative of the Company is Mr. Nguyen Mien Tuan, Chairman. The amended license No. 46/GPDC-UBCK was issued State Securities Commission dated 5 August 2020 on changing the legal representative.

Ms. Nguyen Thi Thu Huyen is authorized by the Board of Directors to sign the accompanying financial statements for the year ended 31 December 2020 in accordance with the Resolution of Board of Directors No. 12/2020/NQ-HDQT dated 6 August 2020.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

continued »»»

REPORT OF MANAGEMENT

Management of Viet Dragon Securities Corporation ("the Company") is pleased to present this report and the financial statements of the Company for the year ended 31 December 2020.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Company and of the results of its operations, its cash flows and its changes in owners' equity for the year. In preparing those financial statements, management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the applied accounting system. Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY MANAGEMENT

Management do hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 and of the results of its operations, its cash flows and its changes in owners' equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the financial statements.



Ms. Nguyen Thi Thu Huyen
General Director

Ho Chi Minh City, Vietnam
17 March 2021

Reference: 60752721/22038498

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Viet Dragon Securities Corporation.

We have audited the accompanying financial statements of Viet Dragon Securities Corporation ("the Company"), as prepared on 17 March 2021 and set out on pages 6 to 62, which comprise the statement of financial position as at 31 December 2020, the income statement, the cash flow statement and the statement of changes in owners' equity for the year then ended and the notes thereto.

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

continued >>>

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2020, and of the results of its operations, its cash flows and its changes in owners' equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the financial statements.

Other Matter

The financial statements of the Company for the year ended 31 December 2019 were audited by another audit firm which expressed an unmodified opinion on those statements on 10 March 2020.

Ernst & Young Vietnam Limited




Nguyen Phuong Nga
Deputy General Director
Audit Practicing Registration
Certificate No. 0763-2019-004-1

Ho Chi Minh City, Vietnam
17 March 2021

Vu Tien Dung
Auditor
Audit Practicing Registration
Certificate No. 3221-2020-004-1

STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

B01-CTCK

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
100	A. CURRENT ASSETS		2,514,895,660,024	2,245,757,277,083
110	I. <i>Financial assets</i>		2,511,954,686,741	2,243,543,455,396
111	1. Cash and cash equivalents	5	582,254,424,536	300,264,521,223
111.1	1.1 Cash		482,254,424,536	300,264,521,223
111.2	1.2 Cash equivalents		100,000,000,000	-
112	2. Financial assets at fair value through profit and loss ("FVTPL")	7	497,292,476,656	340,067,915,810
114	3. Loans	7	1,453,872,727,915	1,633,196,291,178
116	4. Provision for impairment of financial assets and mortgage assets	7	(44,087,345,374)	(44,087,380,995)
117	5. Receivables	8	9,612,884,685	3,707,319,372
117.1	5.1 Receivables from disposal of financial assets		6,141,978,000	-
117.2	5.2 Receivables and accruals from dividend and interest income		3,470,906,685	3,707,319,372
117.3	5.2.1 Receivables and accruals for due dividend and interest income		97,343,733	182,689,012
117.4	5.2.2 Accruals for undue dividend and interest income		3,373,562,952	3,524,630,360
118	6. Advances to suppliers	8	1,821,797,251	356,427,510
119	7. Receivables from services provided by the Company	8	10,970,504,329	10,038,311,298
122	8. Other receivables	8	2,195,425,221	1,978,258,478
129	9. Provision for impairment of receivables	8	(1,978,208,478)	(1,978,208,478)

continued »»»

STATEMENT OF FINANCIAL POSITION (continued)

B01-CTCK

as at 31 December 2020

Code	Items	Notes	Ending balance VND	Beginning balance VND
130	<i>II. Other current assets</i>		2,940,973,283	2,213,821,687
131	1. Advances		329,274,066	441,766,666
132	2. Office supplies, tools and materials		29,393,100	8,963,900
133	3. Short-term prepaid expenses	9	2,550,538,995	1,736,903,445
134	4. Short-term deposits, collaterals and pledges		21,400,000	21,400,000
136	5. Tax and other receivables from the State	19	10,367,122	4,787,676
200	<i>B. NON-CURRENT ASSETS</i>		53,459,927,125	53,788,230,614
220	<i>I. Fixed assets</i>		19,168,541,889	18,982,269,642
221	1. Tangible fixed assets	10	13,894,116,239	12,024,721,719
222	1.1 Cost		54,049,433,610	48,409,028,110
223a	1.2 Accumulated depreciation		(40,155,317,371)	(36,384,306,391)
227	2. Intangible fixed assets	11	5,274,425,650	6,957,547,923
228	2.1 Cost		20,017,349,791	19,837,349,791
229a	2.2 Accumulated amortization		(14,742,924,141)	(12,879,801,868)
250	<i>II. Other non-current assets</i>		34,291,385,236	34,805,960,972
251	1. Long-term deposits, collaterals and pledges	12	3,459,037,920	3,127,076,384
252	2. Long-term prepaid expenses	9	832,347,316	1,678,884,588
254	3. Deposits to Settlement Assistance Fund	13	20,000,000,000	20,000,000,000
255	4. Other non-current assets	14	10,000,000,000	10,000,000,000
270	TOTAL ASSETS		2,568,355,587,149	2,299,545,507,697

Code	Items	Notes	Ending balance VND	Beginning balance VND
300	<i>C. LIABILITIES</i>		1,402,839,017,010	1,253,304,856,662
310	<i>I. Current liabilities</i>		1,390,463,539,965	1,253,304,856,662
311	1. Short-term borrowings and financial leases	15	69,594,000,000	165,900,000,000
312	1.1 Short-term borrowings		69,594,000,000	165,900,000,000
316	2. Short-term bond issuance	16	1,206,915,000,000	879,940,000,000
318	3. Payables for securities trading activities	17	2,927,753,835	1,020,694,969
320	4. Short-term trade payables	18	22,786,981,812	155,595,607,707
321	5. Short-term advance from customers		1,729,878,000	1,098,800,000
322	6. Statutory obligations	19	24,570,650,894	4,425,764,860
323	7. Payables to employees		18,385,694,326	3,699,053,756
325	8. Short-term accrued expenses	20	12,242,250,356	8,001,154,487
329	9. Other short-term payables	21	31,311,330,742	33,623,780,883
340	<i>II. Non-current liabilities</i>		12,375,477,045	796,391,874
353	1. Other long-term payables		612,633,000	714,983,000
356	2. Deferred tax liabilities	22	11,762,844,045	81,408,874
400	<i>D. OWNERS' EQUITY</i>		1,165,516,570,139	1,045,444,259,161
410	<i>I. Owners' equity</i>	23	1,165,516,570,139	1,045,444,259,161
411	1. Share capital		1,010,239,178,792	1,010,239,178,792

continued »»»

STATEMENT OF FINANCIAL POSITION (continued)

as at 31 December 2020

B01-CTCK

B01-CTCK

Code	Items	Notes	Ending balance VND	Beginning balance VND
411.1	1.1 Capital contribution		1,000,999,060,000	1,000,999,060,000
411.1a	1.1.1 Ordinary shares		1,000,999,060,000	1,000,999,060,000
411.2	1.2 Share premium		9,240,118,792	9,240,118,792
414	2. Charter capital supplementary reserve		22,861,758,906	15,356,644,767
415	3. Operational risk and financial reserve		22,861,758,906	15,356,644,767
417	4. Undistributed profit		109,553,873,535	4,491,790,835
417.1	4.1 Realized profit		97,712,005,131	78,465,916,697
417.2	4.2 Unrealized profit/(loss)		11,841,868,404	(73,974,125,862)
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,568,355,587,149	2,299,545,507,697

Code	Items	Notes	Ending balance VND	Beginning balance VND
009	3. Non-traded financial assets deposited at VSD of the Company	24.2	1,931,610,000	3,070,000
	3.1 Unrestricted and non-traded financial assets		2,990,000	2,990,000
	3.2 Unrestricted and awaiting for trading financial assets		1,928,620,000	80,000
010	4. Financial assets awaiting for arrival of the Company	24.3	3,500,000,000	54,484,400,000
012	5. Financial assets which have not been deposited at VSD of the Company	24.4	88,299,890,000	4,500,200,000
013	6. Entitled financial assets of the Company		80,000	220,000
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS			
021	1. Financial assets listed/registered at VSD of investors	24.5	1,662,263,135	1,268,708,605
021.1	a. Unrestricted and traded financial assets		1,292,454,670	915,305,088
021.2	b. Restricted and traded financial assets		7,882,843	12,676,824
021.3	c. Mortgaged and traded financial assets		231,987,522	225,724,678
021.4	d. Blocked financial assets		107,346,314	90,286,355
021.5	e. Financial assets awaiting for settlement		22,591,366	24,715,510
021.7	f. Customers' deposits for derivatives trading		420	150
022	2. Non-traded financial assets deposited at VSD of investors	24.6	6,102,318	5,198,413
022.1	a. Unrestricted and non-traded financial assets		6,077,118	5,198,413
022.2	b. Restricted and non-traded financial assets		25,200	-
023	3. Financial assets awaiting for arrival of investors	24.7	21,243,453	13,182,390
025	4. Entitled financial assets of investors	24.8	420,825	2,341,727

OFF-BALANCE SHEET ITEMS

Code	Items	Notes	Ending balance VND	Beginning balance VND
	A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS			
006	1. Outstanding shares (shares)	23.2	100,099,906	100,099,906
008	2. Financial assets listed/registered for trading at Vietnam Securities Depository ("VSD") of the Company	24.1	146,030,340,000	130,133,680,000
	2.1 Unrestricted and traded financial assets		143,830,070,000	130,133,410,000
	2.2 Financial assets awaiting for settlement		2,200,000,000	-
	2.3 Restricted financial assets		270,000	270,000

STATEMENT OF FINANCIAL POSITION (continued)

as at 31 December 2020

OFF-BALANCE SHEET ITEMS (continued)

Code	Items	Notes	Ending balance VND	Beginning balance VND
026	5. Investors' deposits	24.9	1,106,260,893,503	319,843,095,175
027	5.1 Investors' deposits for securities trading activities managed by the Company		1,064,579,545,897	313,619,218,115
027.1	5.2 Investors' deposits at VSD		22,680,648,936	4,734,497,646
029	5.3 Investors' deposits for clearing and settlement		17,176,996,823	1,311,732,093
029.1	a. Domestic investors' deposits for clearing and settlement securities transactions		16,733,847,952	511,556,652
029.2	b. Foreign investors' deposits for clearing and settlement securities transactions		443,148,871	800,175,441
030	5.4 Deposits of securities issuers		1,823,701,847	177,647,321
031	6. Payables to investors - investors' deposits for securities trading activities managed by the Company	24.10	1,103,464,990,357	317,358,638,989
031.1	6.1 Payables to domestic investors' deposits for securities trading activities managed by the Company		1,100,332,191,914	316,959,015,244
031.2	6.2 Payables to foreign investors' deposits for securities trading activities managed by the Company		3,132,798,443	399,623,745
035	7. Dividend, bond principal and interest payables	24.11	2,795,903,146	2,484,456,186



Ms. Duong Kim Chi
Chief Accountant

Mr. Le Minh Hien
Chief Finance Officer

Ms. Nguyen Thi Thu Huyen
General Director

Ho Chi Minh City, Vietnam
17 March 2021

INCOME STATEMENT

for the year ended 31 December 2020

Code	Items	Notes	Current year VND	Previous year VND
	I. OPERATING INCOME			
01	1. Gain from financial assets at fair value through profit and loss ("FVTPL")		131,143,390,374	19,719,265,403
01.1	1.1 Gain from disposal of financial assets at FVTPL	25.1	68,213,396,708	11,246,570,851
01.2	1.2 Gain from revaluation of financial assets at FVTPL	25.2	58,407,175,858	129,535,257
01.3	1.3 Dividend, interest income from financial assets at FVTPL	25.3	4,522,817,808	8,343,159,295
03	2. Gain from loans and receivables	25.3	188,368,174,593	223,896,023,400
06	3. Revenue from brokerage services		105,755,305,151	76,525,080,707
07	4. Revenue from underwriting and issuance agency services		13,200,000,000	-
09	5. Revenue from securities custodian services		8,674,182,365	7,419,981,985
10	6. Revenue from financial advisory services		5,282,718,180	2,507,836,365
11	7. Revenue from other operating activities		1,967,049,773	1,829,173,985
20	TOTAL OPERATING INCOME		454,390,820,436	331,897,361,845
	II. OPERATING EXPENSES			
21	1. Loss from financial assets at FVTPL		4,503,574,954	(21,932,576,278)
21.1	1.1 Loss from disposal of financial assets at FVTPL	25.1	(22,352,853,137)	(22,896,375,876)
21.2	1.2 Loss from revaluation of financial assets at FVTPL	25.2	27,408,818,408	963,799,598
21.3	1.3 Transaction costs of acquisition of FVTPL financial assets		(552,390,317)	-

continued »»»

INCOME STATEMENT (continued)

B02-CTCK

for the year ended 31 December 2020

Code	Items	Notes	Current year VND	Previous year VND
24	2. Provision expenses for diminution in value and impairment of financial assets, doubtful debts and borrowing costs of loans	26	(95,162,868,527)	(113,660,367,674)
26	3. Expenses for proprietary activities	27	(3,447,704,216)	(1,940,079,387)
27	4. Expenses for brokerage services	28	(71,429,098,546)	(70,612,687,417)
29	5. Expenses for securities investment advisory services		(2,432,908,691)	(2,829,292,095)
30	6. Expenses for securities custodian services	29	(8,842,651,458)	(7,638,968,448)
31	7. Expenses for financial advisory services	30	(10,871,428,416)	(10,003,111,723)
32	8. Expenses for other operating activities	31	(12,108,401,046)	(10,167,978,989)
40	Total operating expenses		(199,791,485,946)	(238,785,062,011)
	III. FINANCE INCOME			
41	1. Realized and unrealized gain from changes in foreign exchange rates		54,000,000	210,000,000
42	2. Dividend and interest income from demand deposits		11,516,287,012	11,152,538,868
50	Total finance income		11,570,287,012	11,362,538,868
	IV. FINANCE EXPENSES			
51	1. Realized and unrealized loss from changes in foreign exchange rates		(2,119,000,000)	(781,000,000)
60	Total finance expenses		(2,119,000,000)	(781,000,000)
62	V. GENERAL AND ADMINISTRATIVE EXPENSES	32	(71,742,899,142)	(61,233,045,417)

Code	Items	Notes	Current year VND	Previous year VND
70	VI. OPERATING PROFIT		192,307,722,360	42,460,793,285
	VII. OTHER INCOME AND EXPENSES			
71	1. Other income		354,553,480	58,016,726
72	2. Other expenses		(100,000)	(15,675,995)
80	Total other operating profit		354,453,480	42,340,731
90	VIII. PROFIT BEFORE TAX		192,662,175,840	42,503,134,016
91	1. Realized profit		106,846,181,574	41,409,799,161
92	2. Unrealized profit		85,815,994,266	1,093,334,855
100	IX. CORPORATE INCOME TAX (CIT) EXPENSES	33	(42,559,893,062)	(7,857,866,061)
100.1	1. Current CIT expense	33.2	(30,878,457,891)	(7,831,959,010)
100.2	2. Deferred CIT expense	33.3	(11,681,435,171)	(25,907,051)
200	X. PROFIT AFTER TAX		150,102,282,778	34,645,267,955
500	XI. NET INCOME PER SHARE			
501	1. Basic earnings per share (VND/share)	34	1,500	346
502	2. Diluted earnings per share (VND/share)	34	1,500	346



Ms. Duong Kim Chi
Chief Accountant



Mr. Le Minh Hien
Chief Finance Officer



Ms. Nguyen Thi Thu Huyen
General Director

CASH FLOW STATEMENT

for the year ended 31 December 2020

B03-CTCK

B03-CTCK

Code	Items	Notes	Current year VND	Previous year VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax		192,662,175,840	42,503,134,016
02	2. Adjustments for		(8,678,956,429)	8,229,002,824
03	- Depreciation and amortization expense		6,427,909,253	6,215,102,484
04	- Provisions	7.4	(35,621)	16,798,758,580
05	- Unrealized loss from changes in foreign exchange rates	15	144,000,000	75,000,000
07	- Gain from investing activities		(11,779,923,376)	(11,152,538,868)
08	- Accrued interest income	8	(3,470,906,685)	(3,707,319,372)
10	3. Decrease in non-monetary expenses		(27,408,818,408)	(963,799,598)
11	- Loss from revaluation of financial assets at FVTPL	25.2	(27,408,818,408)	(963,799,598)
18	4. Increase in non-monetary income		(58,407,175,858)	(129,535,257)
19	- Gain from revaluation of financial assets at FVTPL	25.2	(58,407,175,858)	(129,535,257)
30	5. Operating gains before changes in working capital		(18,807,872,308)	(7,528,704,552)
31	- Increase in financial assets at FVTPL		(71,408,566,580)	(116,938,158,845)
33	- Decrease/(increase) in loans		179,323,563,263	(47,830,908,105)
35	- Increase in receivables from sale of financial assets	8	(6,141,978,000)	-
36	- Decrease in receivables of dividend and accrued interests of financial assets			3,539,330,720

Code	Items	Notes	Current year VND	Previous year VND
37	- (Increase)/decrease in receivables from services provided by the Company		(932,193,031)	7,311,361,215
39	- Increase)/decrease in other receivables		(1,682,536,484)	245,305,861
40	- (Increase)/decrease in other assets		(245,477,582)	3,938,195,541
41	- Increase/(decrease) in accrued expenses (excluding interest expenses)		4,241,095,869	(6,253,656,209)
42	- Decrease in prepaid expenses		32,901,722	1,300,957,270
43	- Corporate income tax paid	19	(16,018,345,096)	(6,030,678,843)
45	- (Decrease)/increase in trade payables		(132,808,625,895)	153,853,128,607
47	- Increase/(decrease) in taxes and statutory obligation payables (excluding CIT paid)		5,284,773,239	(2,823,258,895)
48	- Increase in payables to employees		14,686,640,570	3,522,507,001
50	- Increase/(decrease) in other payables		3,153,556,325	(256,485,536)
52	- Other payments for operating activities		-	(1,106,344,334)
60	Net cash from operating activities		79,359,352,837	42,110,097,433
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
61	1. Purchase and construction of fixed assets, investment properties and other long-term assets		(6,614,181,500)	(5,785,350,575)
62	2. Proceeds from disposal and sale of fixed assets, investment properties and other long-term assets		263,636,364	-
65	3. Interest and dividends from long term investments received		11,516,287,012	11,152,538,868
70	Net cash from investing activities		5,165,741,876	5,367,188,293
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
73	1. Drawdown of borrowings		2,961,551,000,000	3,263,787,000,000

CASH FLOW STATEMENT (continued)

B03-CTCK

for the year ended 31 December 2020

Code	Items	Notes	Current year VND	Previous year VND
73.2	1.1 Other borrowings		2,961,551,000,000	3,263,787,000,000
74	2. Repayment of borrowings		(2,731,026,000,000)	(3,015,996,000,000)
74.3	2.1 Other repayment of borrowings		(2,731,026,000,000)	(3,015,996,000,000)
76	3. Profit distributed to shareholders		(33,060,191,400)	(66,747,864,300)
80	Net cash from financing activities		197,464,808,600	181,043,135,700
90	NET CASH DURING THE YEAR		281,989,903,313	228,520,421,426
101	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	300,264,521,223	71,744,099,797
101.1	1. Cash		300,264,521,223	71,744,099,797
103	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	582,254,424,536	300,264,521,223
103.1	1. Cash		482,254,424,536	300,264,521,223
103.2	2. Cash equivalents		100,000,000,000	-

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS

Code	Items	Notes	Current year VND	Previous year VND
	I. CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS			
01	1. Cash receipts from disposal of brokerage securities of customers		6,520,699,644,690	5,091,538,089,733
02	2. Cash payments for acquisition of brokerage securities of customers		(6,504,834,379,960)	(5,218,989,908,794)
07	3. Cash receipts for settlement of securities transactions of customers		57,152,789,228,473	53,063,070,348,473
07.1	4. Investors' deposits at VSD		305,044,193,868	271,267,021,739
08	5. Cash payments for securities transactions of customers		(56,688,926,943,269)	(53,648,375,335,402)
14	6. Cash receipts from securities issuers		630,429,897,553	1,007,983,028,864
15	7. Cash payments to securities issuers		(628,783,843,027)	(1,019,164,376,295)
20	Net increase/(decrease) in cash during the year		786,417,798,328	(452,671,131,682)

Code	Items	Notes	Current year VND	Previous year VND
30	II. CASH AND CASH EQUIVALENTS OF THE CUSTOMERS AT THE BEGINNING OF THE YEAR	24.9	319,843,095,175	772,514,226,857
31	Cash at banks at the beginning of the year:		319,843,095,175	772,514,226,857
32	- Investors' deposits managed by the Company for securities trading activities		318,353,715,761	632,391,680,951
	In which: Investors' deposits at VSD		4,734,497,646	12,786,914,195
34	- Deposits for clearing and settlement of securities transaction		1,311,732,093	128,763,551,154
35	- Cash payments to securities issuers		177,647,321	11,358,994,752
40	III. CASH AND CASH EQUIVALENTS OF THE CUSTOMERS AT THE END OF THE YEAR	24.9	1,106,260,893,503	319,843,095,175
41	Cash at banks at the end of the year:		1,106,260,893,503	319,843,095,175
42	- Investors' deposits managed by the Company for securities trading activities		1,087,260,194,833	318,353,715,761
	In which: Investors' deposits at VSD		22,680,648,936	4,734,497,646
44	- Deposits for clearing and settlement of securities transaction		17,176,996,823	1,311,732,093
45	- Securities issuers' deposits		1,823,701,847	177,647,321



Ms. Duong Kim Chi
Chief Accountant



Mr. Le Minh Hien
Chief Finance Officer



Ms. Nguyen Thi Thu Huyen
General Director

Ho Chi Minh City, Vietnam
17 March 2021

STATEMENT OF CHANGES IN OWNERS' EQUITY

B03-CTCK

for the year ended 31 December 2020

Items	Notes	Beginning balance		Increase/(decrease)				Ending balance	
		1 January 2019 VND	1 January 2020 VND	Previous year		Current year		31 December 2019 VND	31 December 2020 VND
					Decrease VND	Increase VND	Decrease VND		
I. CHANGES IN OWNERS'EQUITY	23								
1. Share capital		1,010,239,178,792	1,010,239,178,792		-	-	-	1,010,239,178,792	1,010,239,178,792
1.1 Ordinary share		1,000,999,060,000	1,000,999,060,000		-	-	-	1,000,999,060,000	1,000,999,060,000
1.2 Share premium		9,240,118,792	9,240,118,792		-	-	-	9,240,118,792	9,240,118,792
2. Charter capital supplementary reserve		13,624,381,369	15,356,644,767	1,732,263,398	-	7,505,114,139	-	15,356,644,767	22,861,758,906
3. Operational risk and financial reserve		13,624,381,369	15,356,644,767	1,732,263,398	-	7,505,114,139	-	15,356,644,767	22,861,758,906
4. Undistributed profit		73,410,955,676	4,491,790,835	34,645,267,955	(103,564,432,796)	150,102,282,778	(45,040,200,078)	4,491,790,835	109,553,873,535
- Realized profit		148,478,416,393	78,465,916,697	33,551,933,100	(103,564,432,796)	64,286,288,512	(45,040,200,078)	78,465,916,697	97,712,005,131
- Unrealized (loss)/profit		(75,067,460,717)	(73,974,125,862)	1,093,334,855	-	85,815,994,266	-	(73,974,125,862)	11,841,868,404
TOTAL		1,110,898,897,206	1,045,444,259,161	38,109,794,751	(103,564,432,796)	165,112,511,056	(45,040,200,078)	1,045,444,259,161	1,165,516,570,139



Ms. Duong Kim Chi
Chief Accountant



Mr. Le Minh Hien
Chief Finance Officer



Ms. Nguyen Thi Thu Huyen
General Director

Ho Chi Minh City, Vietnam
17 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2020 and for the year then ended

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1. CORPORATE INFORMATION

Viet Dragon Securities Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to Securities Trading License No. 32/UBCK-GPHDKD issued by the State Securities Commission on 21 December 2006 and subsequent amended licenses which the latest license is No. 46/GPDC-UBCK dated 5 August 2020.

The Company's primary activities are to provide brokerage service, securities trading, finance and investment advisory service, underwriting for securities issues, securities custodian service and derivatives service.

The Company's head office is located at 1-2-3-4 Floor, 141 Nguyen Du Street, Ben Thanh Ward, District 1, Ho Chi Minh City.

As at 31 December 2020, the Company has branches located in Ha Noi, Nha Trang and Can Tho.

The number of the Company's employees as at 31 December 2020 is 266 persons (31 December 2019: 288 persons).

Main features of operation of the Company

Capital

According to the statement of financial position as at 31 December 2020, the Company's charter capital amounts to VND1,000,999,060,000 while its owners' equity is VND1,165,516,570,139 and its total assets are VND2,568,355,587,149.

Investment objectives

The Company's aims are to contribute to the development of the securities market and bring benefits to its customers, investors and shareholders.

Investment restrictions

The Company is required to comply with Article 44 under Circular No. 210/2012/TT-BTC dated 30 November 2012 providing guidance on establishment and operation of securities companies, Circular No. 07/2016/TT-BTC dated 18 January 2016 amended some articles on Circular No. 210/2012/TT-BTC and other applicable regulations on investment restrictions. The current applicable practices on investment restrictions are as follows:

- Securities company is not allowed to invest, contribute capital to invest in real-estate investment except for the purpose of use for head office, branches, and transaction offices directly serving professional business activities of the securities company.
- Securities company may invest in real-estate investment and fixed assets on the principle that the carrying value of the fixed assets and real-estate investment should not exceed fifty percent (50%) of the total value of assets of the securities company.
- Securities company is not allowed to use more than seventy percent (70%) of its charter capital to invest in corporate bonds. Securities company, licensed to engage in self-trading activity, is allowed to trade listed bonds in accordance with relevant provision on trading Government bonds.
- Securities company must not by itself, or authorize another organization or individuals to: Invest in shares or contribute capital to companies that owned more than fifty percent (50%) of the charter capital of the securities company, except for purchasing of odd lots at the request of customers; Make joint investment

with an affiliated person of five percent (5%) or more in the charter capital of another securities company; Invest more than twenty percent (20%) in the total currently circulating shares or fund certificates of a listing organization; Invest more than fifteen percent (15%) in the total currently circulating shares or fund certificates of an unlisted organization, this provision shall not apply to member fund, ETF fund or open-end fund certificates; Invest or contribute capital of more than ten percent (10%) in the total paid-up capital of a limited company or of a business project; Invest or contribute more than fifteen percent (15%) of its equity in a single organization or of a business project; Invest more than seventy percent (70%) of its total equity in shares, capital contribution and a business project, specifically invest more than twenty percent (20%) of its total equity in unlisted shares, capital contribution and a business project.

- Securities company is allowed to establish or purchase an asset management company as a subsidiary. In that case, securities company is not required to follow the above restrictions.

2. BASIS OF PREPARATION

2.1 Registered accounting documentation system

The financial statements of the Company expressed in Vietnam dong ("VND") are prepared in accordance with Vietnamese Enterprise Accounting System, the accounting regulation and guidance applicable to securities companies as set out in Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing Appendices No. 02 and No. 04 of Circular No. 210/2014/TT-BTC, Circular No. 146/2014/TT-BTC dated 6 October 2014 providing guidance on financial regime applicable to securities companies and fund management companies and other Vietnamese Accounting Standards promulgated by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

2.2 Registered accounting documentation system

The Company's registered accounting documentation system is the General Journal.

2.3 Fiscal year

The Company's fiscal year starts on 1 January and ends on 31 December.

2.4 Accounting currency

The financial statements are prepared in Vietnam dong ("VND"), which is the accounting currency of the Company.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2020 and for the year then ended

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3. STATEMENT ON THE COMPLIANCE WITH VIETNAMESE ACCOUNTING STANDARDS AND SYSTEMS

Management confirms that the Company has complied with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the financial statements.

Accordingly, the accompanying financial statements, including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position, results of operations, cashflows and changes in owners' equity in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

Cash deposited by customers for securities trading and cash deposited by securities issuers are presented on the off-balance sheet.

4.2 Financial assets at fair value through profit and loss (FVTPL)

Financial assets recognized at fair value through profit and loss are financial assets that satisfy either of the following conditions:

- It is classified as held for trading. A financial asset is classified as held for trading if:
 - It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - There is evidence of a recent actual pattern of short-term profit-taking; or
 - It is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).
- Upon initial recognition, a financial asset is designated by the entity as at fair value through profit and loss as it meets one of the following criteria:
 - The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the asset or recognizing gains or losses on a different basis; or
 - The assets and liabilities are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management policy or investment strategy.

Financial assets at FVTPL are initially recognized at cost (acquisition cost of the assets excluding transaction cost arising from the purchase) and subsequently recognized at fair value.

Increase in the difference arising from revaluation of financial assets at FVTPL at fair value and book value in comparison with the previous period is recognized into the income statement under "Gain from revaluation of financial assets at FVTPL". Decrease in the difference arising from revaluation of financial assets at FVTPL at fair value and book value in comparison with the previous period is recognized into the income statement under "Loss from revaluation of financial assets at FVTPL".

Transaction costs relating to the purchase of the financial assets at FVTPL are recognized when incur as expenses in the income statement.

4.3 Loans

Loans are non-derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:

- The amounts the Company intent to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the Company categorized as such recognized at fair value through profit or loss;
- The amounts categorized by the Company as available for sale upon initial recognition; or
- The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.

Loans are recognized initially at cost. After initial recognition, loans are subsequently measured at amortized cost using the effective interest rate ("EIR").

Amortized cost of loans is the amount at which the financial asset is measured at initial recognition minus (-) principal repayments, plus (+) or minus (-) the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or non-collectible (if any).

Loans are subject to an assessment of impairment at the financial statement date. Provision is made for loan based on its estimated loss which is determined by the negative difference between the market value of securities used as collaterals for such loan and the loan balance. Any increase/decrease in the balance of provision is recognized in the income statement under *"Provision expense for diminution in value and impairment of financial assets and doubtful debts and borrowing costs of loans"*.

4.4 Fair value/market value of financial assets

Fair value/market value of the securities is determined as follows:

- For securities listed on Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange, their market prices are their closing prices on the trading day preceding the date of setting up the provision.
- For unlisted securities registered for trading on the Unlisted Public Company Market ("UPCom"), their market prices are their closing prices on the trading day preceding the date of setting up the provision.
- For the delisted securities and suspended trading securities from the sixth day afterward, their prices are the book value at the latest financial report date.
- The market price for unlisted securities and securities unregistered for trading on UPCom used as a basis for setting up the provision is the average of actual trading prices quoted by three (03) securities companies conducting transactions at the latest date preceding the revaluation date.
- For unlisted bonds, their market prices is the maximum value of the following values: The quoted price (if any) announced on quotation systems selected by the securities-trading organization, plus accrued interest; the purchase price, plus accrued interest; the par value, plus accrued interest; the price determined according to internal regulations of the Company, including accrued interest.

continued »»»

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2020 and for the year then ended

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For securities which do not have reference price from the above sources, the impairment is determined based on the financial performance and the book value of securities issuers as at the assessment date.

For the purpose of determining CIT taxable profit, the tax bases for financial assets are determined by cost minus (-) provision for diminution in value. Accordingly, market value of securities for provision purpose is determined in accordance with the Circular No.146/2014/TT-BTC.

4.5 Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
 - The Company has substantially transferred all the risks and rewards of the asset, or
 - The Company has substantially neither transferred nor retained all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The continued participant in transferred assets in the form of guarantee will be recognized at lower value between the initial carrying value of the assets and the maximum amount that the Company is required to pay.

4.6 Reclassification of financial assets

Reclassification when selling financial assets other than FVTPL

When selling financial assets other than FVTPL, securities companies are required to reclassify those financial assets to financial assets at FVTPL. The difference arising from the revaluation of financial assets AFS which recognized in "Gain/(loss) from revaluation of financial assets AFS" will be recognized as corresponding revenue or expenses at the date of reclassification of financial assets AFS for selling purpose.

Reclassification due to change in purpose or ability to hold

Securities companies are required to reclassify financial assets to their applicable categories if their purpose or ability to hold has changed, consequently:

- Non-derivative financial assets at FVTPL or financial assets that are not required to classify as financial asset at FVTPL at the initial recognition can be classified as loans and other receivables or as cash and cash equivalents if the requirements are met. The gains or losses arising from revaluation of financial assets at FVTPL prior to the reclassification are not allowed to be reversed.
- Due to changes in purposes or ability to hold, some HTM investments are required to be reclassified into AFS financial assets and to be reassessed at fair value. The difference arising from revaluation between carrying value and fair value are recognized under "Gain/loss from revaluation of assets at fair value" in Owners' equity.

4.7 Receivables

Receivables are initially recorded at cost and subsequently always presented at cost.

Receivables are subject to review for impairment based on their overdue status or estimated loss arising from undue debts of corporate debtors who have bankruptcy or are under liquidation; or of individual debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or are currently suffering from a fatal disease (certified by the hospital) or dead or the debt has been sued for debt collection by the enterprise but the case has been suspended. Increases or decreases to the provision balance are recorded as "Provision expenses for diminution in value and impairment of financial assets, doubtful debts and borrowing costs of loans" in the income statement.

The Company has made provision for doubtful receivables in accordance with Circular No. 48/2019/TT-BTC dated 8 August 2019 issued by the Ministry of Finance. Accordingly, the provision rates for overdue receivables are as follows:

Overdue period	Provision rate
From over six (6) months to less than one (1) year	30%
From one (1) year to less than two (2) years	50%
From two (2) years to less than three (3) years	70%
From three (3) years and above	100%

4.8 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

4.9 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

continued »»»

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2020 and for the year then ended

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4.10 Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Means of transportation	6 years	Trademark	5 years
Office equipment	3 - 8 years	Copyrights	3 - 5 years
Computer software	3 - 8 years	Other intangible fixed assets	5 years

4.11 Operating leases

Rentals respective to operating leases are charged to the income statement on a straight-line basis over the term of the lease.

4.12 Borrowings and non-convertible bonds issued

Borrowings and non-convertible bonds issued by the Company are recorded and stated at cost of the balance at the end of the accounting period.

4.13 Prepaid expenses

Prepaid expenses, including short-term prepaid expenses and long-term prepaid expenses in the statement of financial position, are amortized over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as short-term and long-term prepaid expenses and are amortized over the year from one (1) year to three (3) years to the income statement:

- Office renovation expenses;
- Office tools and consumables;
- Office rental expenses; and
- Other prepaid expenses.

4.14 Payables and accrued expenses

Payables and accrued expenses are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

4.15 Employee benefits

4.15.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Company by the Social Insurance Agency, which belongs to the Ministry of Labor and Social Affairs. The Company is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of an employee's basic salary, salary-related allowances and other supplements. Other than that, the Company has no further obligation relating to post-employment benefits.

4.15.2 Severance allowance

The Company has the obligation, under Section 48 of the Vietnam Labor Code 10/2012/QH13 effective from 1 May 2013, to pay allowance arising from voluntary resignation of employees, equal to one-half month's salary for each year of employment up to 31 December 2008 plus salary allowances (if any). From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date.

4.15.3 Unemployment allowance

According to prevailing regulations, the Company is required to pay the unemployment insurance at 1% of salary fund of employees who engage in the unemployment insurance program and to deduct 1% from each employer's basic salary to contribute to the Unemployment Insurance Fund.

4.16 Foreign currency transactions

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments

At the end of the year, monetary balances denominated in foreign currencies are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company conduct transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conduct transactions regularly.

All foreign exchange differences incurred are taken to the income statement.

4.17 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of receipts or receivables less trade discount, concessions and sales return. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from brokerage services

Where the contract outcome can be reliably measured, revenue is recognized by reference to the stage of completion. Where the contract outcome cannot be reliably measured, revenue is recognized only to the extent of the expenses recognized which are recoverable.

Revenue from trading of securities

Revenue from trading of securities is determined by the difference between the selling price and the weighted average cost of securities sold.

Interest income

Revenue is recognized on accrual basis (taking into account the effective yield on the asset) unless collectability is in doubt.

continued »»»

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2020 and for the year then ended

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Dividends

Income is recognized when the Company's entitlement as an investor to receive the dividend is established, except for dividend received in shares in which only the number of shares is updated.

Other income

Revenues from irregular activities other than turnover-generating activities are recorded to other incomes as stipulated by VAS 14 - "Revenue and other income", including: Revenues from asset liquidation and sale; fines paid by customers for their contract breaches; collected insurance compensation; collected debt which had been written off and included in the preceding period expenses; payable debts which are now recorded as revenue increase as their owners no longer exist; collected tax amounts which now are reduced and reimbursed; and other revenues.

Other revenues from rendering services

Where the contract outcome can be reliably measured, revenue is recognised by reference to the stage of completion.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

4.18 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred.

4.19 Cost of securities sold

The Company applies moving weighted average method to calculate cost of proprietary securities sold.

4.20 Corporate income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the report date.

Current income tax is charged or credited to the income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset only when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred income tax

Deferred income tax is provided using for temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilized, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each financial year end date and reduced to a certain extent that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be recovered. Previously unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset realized, or the liability is settled based on tax rates and tax laws that have been enacted at the reporting date. Deferred tax is recorded to the income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4.21 Owners' equity

Contributed capital from shareholders

Contributed capital from stock issuance is recorded in charter capital at par value.

Undistributed profit

Undistributed profit comprises of realized and unrealized undistributed profit.

Unrealized profit of the year is the difference between gain and loss arisen from revaluation of FVTPL financial assets or other financial assets through profit and loss in the income statement.

Realized profit during the year is the net difference between total revenue and income, and total expenses in the income statement of the Company, except for gain or loss arisen from revaluation of financial assets recognized in unrealized profit.

Reserves

According to Circular No. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014, securities companies are required to make appropriation of profit after tax to the following reserves:

	Percentage of profit after tax	Maximum balance
Charter capital supplementary reserve	5%	10% of charter capital
Operational risk and financial reserve	5%	10% of charter capital

Other reserves are appropriated in accordance with the Resolution of the General Meeting of Shareholders.

continued >>>

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2020 and for the year then ended

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4.22 Distribution of net profits

Net profit after tax is available for appropriation to shareholders after being approved in the General Meeting of Shareholders and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

4.23 Segment information

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The Company's principal activities are mainly taking place throughout Vietnam. Therefore, the Company's risks and returns are not impacted by the locations where the Company is trading. As a result, the Company's management is of the view that there is only one segment for geography and therefore the Company only presents the segmental information based on activities.

4.24 Nil balances

Items or balances required by Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 and Circular No. 146/2014/TT-BTC dated 6 October 2014 issued by the Ministry of Finance that are not shown in these financial statements indicate nil balance.

5. CASH AND CASH EQUIVALENTS

	Ending balance (VND)	Beginning balance (VND)
Cash	482,254,424,536	300,264,521,223
Cash on hand	78,962,012	77,950,111
Cash at banks for operation of the Company	468,785,684,766	149,347,148,582
Cash for clearing and settlement securities transaction	13,389,777,758	150,839,422,530
Cash equivalents	100,000,000,000	-
	582,254,424,536	300,264,521,223

6. VALUE AND VOLUME OF TRADING IN THE YEAR

	Volume of trading in the year (Unit)	Value of trading in the year (VND)
a. The Company	125,191,725	3,269,379,358,024
- Shares	124,125,124	2,318,822,745,306
- Bonds	1,066,601	950,556,612,718
b. Investors	3,609,905,105	56,749,417,605.330
- Shares	3,508,851,585	55,868,366,790,030
- Bonds	5,310,000	542,007,580,000
- Other shares	95,743,520	339,043,235,300
	3,735,096,830	60,018,796,963,354

7. FINANCIAL ASSETS

7.1 Financial assets at fair value through profit and loss ("FVTPL")

	Ending balance		Beginning balance	
	Cost (VND)	Fair value (VND)	Cost (VND)	Fair value(VND)
Listed shares	182,608,923,961	241,033,295,850	188,928,700,178	148,233,281,730
Unlisted shares	218,239,761,243	172,437,219,880	225,113,341,494	191,834,634,080
Unlisted bonds (i)	84,601,923,048	83,821,960,926	-	-
	485,450,608,252	497,292,476,656	414,042,041,672	340,067,915,810

(i) This represents an investment in Novaland Group Corporation's bonds. The bond code is NVLBOND2020-06, par value at VND1,000,000 for each bond, interest rates of 10% per annum, term from 30 June 2020 to 30 June 2022 and interest is paid twice a year. The bonds are guaranteed by 8,000,000 shares of Novaland Group Corporation which are owned by Diamond Properties Joint Stock Company.

7.2 Loans

	Ending balance			Beginning balance		
	Cost (VND)	Provision (VND)	Fair value (iii) (VND)	Cost (VND)	Provision (VND)	Fair value (iii) (VND)
Margin activities (i)	1.257.337.721.141	(44.087.345.374)	1.213.250.375.767	1.295.702.784.902	(44.087.380.995)	1.251.615.403.907
Advances to customers (ii)	196.535.006.774	-	196.535.006.774	337.493.506.276	-	337.493.506.276
	1.453.872.727.915	(44.087.345.374)	1.409.785.382.541	1.633.196.291.178	(44.087.380.995)	1.589.108.910.183

(i) Securities under margin transaction are used as collaterals for the loans granted by the Company to investors. As at 31 December 2020 and 31 December 2019, the par value of those securities that are used as collaterals for margin trading was VND2,059,537,330,000 and VND2,801,112,610,000 respectively, (the market value of those securities that are used as collaterals for margin trading was VND5,138,578,862,700 and VND4,302,362,692,533 respectively).

Including in the margin activities is the investment cooperation contract before the regulation relating to margin loans were issued amounting to VND27,287,632,936. The Company has made full provision against these balances.

(ii) These relate to advances to investors during the year that the shares selling proceeds are awaiting to be received.

(iii) Determining the fair value of financial assets

The fair value of financial assets was reflected at the value that the financial assets are traded in the prevailing transactions between involved parties, excluding the cases that financial assets are sold or liquidated.

The Company uses the following methods and assumptions to estimate fair value:

The fair value of margin loans, cash advances of selling securities and investment cooperation approximates their carrying value, which is cost less provision, due to short-term maturities of these instruments.

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7.3 Changes in market values of financial assets

Financial assets	Current year					Previous year				
			Revaluation difference					Revaluation difference		
	Cost (VND)	Fair value (VND)	Increase (VND)	Decrease(VND)	Revaluation value (VND)	Cost (VND)	Fair value (VND)	Increase (VND)	Decrease(VND)	Revaluation value (VND)
Financial assets at fair value through profit and loss (FVTPL)										
1. Listed shares										
DIG	55,547,490,000	96,826,374,900	41,278,884,900	-	96,826,374,900	121,844,208,163	90,102,904,800	-	(31,741,303,363)	90,102,904,800
FPT	52,512,050,802	53,220,141,000	708,090,198	-	53,220,141,000	3,674,659	4,255,900	581,241	-	4,255,900
TCB	30,914,531,317	42,525,472,500	11,610,941,183	-	42,525,472,500	346,785	353,250	6,465	-	353,250
PC1	12,511,225,871	15,368,230,750	2,857,004,879	-	15,368,230,750	9,464,978,440	7,148,855,000	-	(2,316,123,440)	7,148,855,000
DRC	11,636,544,898	13,077,896,850	1,441,351,952	-	13,077,896,850	7,982,696,026	8,156,281,500	173,585,474	-	8,156,281,500
HPG	9,812,432,470	10,373,940,200	561,507,730	-	10,373,940,200	1,700,405	1,786,000	85,595	-	1,786,000
AGG	6,100,000,000	5,740,000,000	-	(360,000,000)	5,740,000,000	-	-	-	-	-
STK	3,033,849,350	3,212,497,200	178,647,850	-	3,212,497,200	993,195	859,950	-	(133,245)	859,950
Other shares	540,799,253	688,742,450	174,648,014	(26,704,817)	688,742,450	49,630,102,505	42,817,985,330	230,281,279	(7,042,398,454)	42,817,985,330
	182,608,923,961	241,033,295,850	58,811,076,706	(386,704,817)	241,033,295,850	188,928,700,178	148,233,281,730	404,540,054	(41,099,958,502)	148,233,281,730
2. Unlisted shares										
QNS	147,400,000,000	131,655,000,000	-	(15,745,000,000)	131,655,000,000	149,988,000,000	149,988,000,000	-	-	149,988,000,000
BSR	66,359,912,561	38,967,390,000	-	(27,392,522,561)	38,967,390,000	68,188,808,393	35,396,568,000	-	(32,792,240,393)	35,396,568,000
DORU FOAM	4,450,000,000	1,800,000,000	-	(2,650,000,000)	1,800,000,000	4,450,000,000	4,230,000,000	-	(220,000,000)	4,230,000,000
Other shares	29,848,682	14,829,880	3,143,522	(18,162,324)	14,829,880	2,486,533,101	2,220,066,080	2,504,316	(268,971,337)	2,220,066,080
	218,239,761,243	172,437,219,880	3,143,522	(45,805,684,885)	172,437,219,880	225,113,341,494	191,834,634,080	2,504,316	(33,281,211,730)	191,834,634,080
3. Unlisted bonds										
NOVA LAND	84,601,923,048	83,821,960,926	-	(779,962,122)	83,821,960,926	-	-	-	-	-
	485,450,608,252	497,292,476,656	58,814,220,228	(46,972,351,824)	497,292,476,656	414,042,041,672	340,067,915,810	407,044,370	(74,381,170,232)	340,067,915,810

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7.4 Provision for impairment of financial assets

Breakdown of financial assets recognized at cost and corresponding provision for impairment is as follows:

Basis for provision					
	Cost (VND)	Revaluation value (VND)	Provision at 31 December 2020 (VND)	Provision at 31 December 2019 (VND)	Reversal during the year (VND)
Financial assets					
Loans					
Margin activities	1,257,337,721,141	1,213,250,375,767	44,087,345,374	44,087,380,995	(35,621)
Advances to customers	196,535,006,774	196,535,006,774	-	-	-
	1,453,872,727,915	1,409,785,382,541	44,087,345,374	44,087,380,995	(35,621)

8. RECEIVABLES

	Ending balance (VND)	Beginning balance (VND)
Receivables from disposal of financial assets	6,141,978,000	-
Receivables and accruals from dividends and interest income from financial assets	3,470,906,685	3,707,319,372
- Receivables and accruals for due dividend and interest income	97,343,733	182,689,012
- Accruals for undue dividend and interest income	3,373,562,952	3,524,630,360
Advances to suppliers	1,821,797,251	356,427,510
Receivables from services provided by the Company	10,970,504,329	10,038,311,298
- Receivables from custodian services	8,641,736,696	8,238,840,163
- Other receivables	2,328,767,633	1,799,471,135
Other receivables	2,195,425,221	1,978,258,478
Provision for impairment of receivables	(1,978,208,478)	(1,978,208,478)
	22,622,403,008	14,102,108,180

Details of provision for impairment of receivables:

	Doubtful debts		Provision		
	Beginning balance (VND)	Ending balance (VND)	Beginning balance (VND)	Addition/(reversal) (VND)	Ending balance (VND)
Other receivables					
- Van Thien Hung	1,978,208,478	1,978,208,478	1,978,208,478	-	1,978,208,478

9. PREPAID EXPENSES

	Ending balance (VND)	Beginning balance (VND)
Short-term prepaid expenses	2,550,538,995	1,736,903,445
- Office supplies, tools and materials	585,246,405	28,198,976
- Office renovation expenses	140,161,904	-
- Other expenses	1,825,130,686	1,708,704,469
Long-term prepaid expenses	832,347,316	1,678,884,588
- Office renovation expenses	532,396,579	869,088,043
- Other expenses	299,950,737	809,796,545
	3,382,886,311	3,415,788,033

10. TANGIBLE FIXED ASSETS

	Means of transportation (VND)	Office equipment (VND)	Total (VND)
Cost			
Beginning balance	5,837,902,900	42,571,125,210	48,409,028,110
Increase during the year	1,470,790,000	4,963,391,500	6,434,181,500
Disposals during the year	(711,447,000)	(82,329,000)	(793,776,000)
Ending balance	6,597,245,900	47,452,187,710	54,049,433,610
Accumulated depreciation			
Beginning balance	4,279,376,079	32,104,930,312	36,384,306,391
Depreciation during the year	524,361,699	4,040,425,281	4,564,786,980
Disposals during the year	(711,447,000)	(82,329,000)	(793,776,000)
Ending balance	4,092,290,778	36,063,026,593	40,155,317,371
Net book value			
Beginning balance	1,558,526,821	10,466,194,898	12,024,721,719
Ending balance	2,504,955,122	11,389,161,117	13,894,116,239

Cost of tangible fixed assets which have been fully depreciated but are still in use at 31 December 2020 amounted to VND28,251,335,434 (31 December 2019: VND28,280,765,434).

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11. INTANGIBLE FIXED ASSETS

	Computer software (VND)	Trademark (VND)	Copyrights (VND)	Others (VND)	Total (VND)
Cost					
Beginning balance	17,365,497,066	307,500,192	1,661,848,751	502,503,782	19,837,349,791
Increase during the year	180,000,000	-	-	-	180,000,000
Ending balance	17,545,497,066	307,500,192	1,661,848,751	502,503,782	20,017,349,791
Accumulated amortization					
Beginning balance	10,509,018,643	307,500,192	1,560,779,251	502,503,782	12,879,801,868
Amortization during the year	1,776,491,273	-	86,631,000	-	1,863,122,273
Ending balance	12,285,509,916	307,500,192	1,647,410,251	502,503,782	14,742,924,141
Net book value					
Beginning balance	6,856,478,423	-	101,069,500	-	6,957,547,923
Ending balance	5,259,987,150	-	14,438,500	-	5,274,425,650

Cost of intangible fixed assets which have been fully amortized but are still in use at 31 December 2020 amounted to VND10,661,460,628 (31 December 2019: VND10,611,460,628).

12. LONG-TERM DEPOSITS, COLLATERALS AND PLEDGES

These are security deposits for office rentals at Head Office, Ha Noi, Nha Trang and Can Tho Branch.

13. DEPOSITS TO SETTLEMENT ASSISTANCE FUND

Advances to settlement assistance fund represent amounts deposited at Vietnam Securities Depository.

According Decision No. 27/QD-VSD dated 13 March 2015 regarding the regulations on management and usage of the Assistance Fund issued by the General Director of the Vietnam Securities Depository, the Company must deposit an initial amount of VND120 million at the Vietnam Securities Depository and pay an addition of 0.01% of the total amount of brokered securities in the previous year, but not over VND2.5 billion per annum. The maximum contribution of each custody member to the Settlement Assistance Fund is VND 20 billion for custody members who are the company having trading securities and brokerage activities.

Details of the advance to settlement assistance fund during the year are as follows:

	Ending balance (VND)	Beginning balance (VND)
Initial payment	120,000,000	120,000,000
Addition payment	13,464,509,286	13,464,509,286
Interests	6,415,490,714	6,415,490,714
	20,000,000,000	20,000,000,000

14. OTHER NON-CURRENT ASSETS

Other non-current assets are the deposits in the Derivatives Trading Clearing Fund. According to the Policy on Management and Use of Derivatives Trading Clearing Fund issued in conjunction with Decision No. 97/QĐ-VSD dated 23 March 2017 by the Vietnam Securities Depository, the minimum amount of initial contribution applicable to direct clearing members is VND10 billion

15. SHORT-TERM BORROWINGS AND FINANCE LEASE LIABILITIES

Interest rate % per annum	Beginning balance (VND)	Addition during the year (VND)	Repayment during the year (VND)	Revaluation (VND)	Ending balance (VND)
Short-term borrowings					
From a foreign bank (i)	3.30 – 5.30	115,900,000,000	698,906,000,000	(745,356,000,000)	144,000,000
From domestic banks	5.25 – 10.50	50,000,000,000	1,169,000,000,000	(1,219,000,000,000)	-
	165,900,000,000	1,867,906,000,000	(1,964,356,000,000)	144,000,000	69,594,000,000

(i) The ending balance represents the unsecured borrowings with a total value of USD3,000,000 and longest tenor not exceeding 60 days from the date of drawdown.

16. SHORT-TERM BOND ISSUANCE

Interest rate % per annum	Beginning balance (VND)	Addition during the year (VND)	Repayment during the year (VND)	Ending balance (VND)
Short-term bond issuance				
Held by individuals	8.5 – 9.5	372,440,000,000	625,645,000,000	(517,670,000,000)
Held by corporations	9.0 – 9.5	507,500,000,000	468,000,000,000	(249,000,000,000)
	879,940,000,000	1,093,645,000,000	(766,670,000,000)	1,206,915,000,000

These are registered, unconvertible and unsecured bonds issued privately to individuals and institutions. Each bond has a par value of VND1,000,000 and a tenor of 1 year since its issue date.

17. PAYABLES FOR SECURITIES TRADING ACTIVITIES

These are expenses payable to the stock exchanges.

18. SHORT-TERM TRADE PAYABLES

	Ending balance (VND)	Beginning balance (VND)
Payables for purchases of shares trading on UPCoM	-	149,988,000,000
Payables for purchases of listed securities	18,730,000,000	3,814,872,000
Payables for purchases of goods and services	4,056,981,812	1,792,735,707
	22,786,981,812	155,595,607,707

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19. STATUTORY OBLIGATIONS

Items	Beginning balance (VND)	Payables during the year (VND)	Payment during the year (VND)	Ending balance (VND)
Corporate income tax	31,468,933	30,878,457,891	(16,018,345,096)	14,891,581,728
Value added tax	78,919,189	773,845,439	(612,730,948)	240,033,680
Personal income tax on behalf of investors	2,457,733,923	33,213,588,768	(28,637,459,748)	7,033,862,943
Personal income tax	1,804,512,040	8,164,710,870	(7,698,976,506)	2,270,246,404
- Payables	1,809,299,716			2,280,613,526
- Receivables	(4,787,676)			(10,367,122)
Foreign contractor tax	48,343,099	972,901,280	(896,685,362)	124,559,017
Business registration tax	-	7,500,000	(7,500,000)	-
	4,420,977,184	74,011,004,248	(53,871,697,660)	24,560,283,772
In which:				
- Receivables	(4,787,676)			(10,367,122)
- Payables	4,425,764,860			24,570,650,894

20. SHORT-TERM ACCRUED EXPENSES

	Ending balance (VND)	Beginning balance (VND)
Interests on bonds and borrowings	7,537,165,161	6,974,118,489
Accrued team building expense	2,000,000,002	-
Board of Directors' remuneration	1,700,000,000	-
Brokerage fee and custody fee	609,090,993	585,935,998
Others	395,994,200	441,100,000
	12,242,250,356	8,001,154,487

21. OTHER SHORT-TERM PAYABLES

	Ending balance (VND)	Beginning balance (VND)
Dividend payables	30,463,378,900	33,493,598,500
Others	847,951,842	130,182,383
	31,311,330,742	33,623,780,883

Movement in the dividend payables during the year is as follows:

	Ending balance (VND)	Beginning balance (VND)
Beginning balance	33,493,598,500	141,556,800
Cash dividend declared		
- Advance dividend of 2020 (i)	30,029,971,800	-
- Final dividend of 2018 (ii)	-	70,069,934,200
- Advance dividend of 2019 (iii)	-	30,029,971,800
Dividend paid	(33,060,191,400)	(66,747,864,300)
Ending balance	30,463,378,900	33,493,598,500

- (i) According to the Resolution of the Annual General Meeting of Shareholders on 28 May 2020, the planned dividend rate of 2020 was 3% of the charter capital of VND1,000,999,060,000. Accordingly, on 30 December 2020, the Board of Directors decided to advance the dividend of 2020 at 3% of the par value (1 share is entitled to VND300) to shareholders in the registry as at 19 January 2021.
- (ii) The Annual General Meeting of Shareholders on 18 April 2019 approved the total cash dividend of 2018 at 7% on charter capital of VND1,000,999,060,000. The dividend payment date was 30 January 2019 and 27 May 2019.
- (iii) According to the Resolution of the Annual General Meeting of Shareholders on 18 April 2019, the planned dividend rate of 2019 was 8% of the charter capital of VND1,000,999,060,000. Accordingly, on 9 December 2019, the Board of Directors decided to advance the dividend of 2019 at 3% of the par value (1 share is entitled to VND300) to shareholders in the registry as at 24 December 2019 and the dividend actual payment date was 6 January 2020. The Annual General Meeting of Shareholders on 28 May 2020 approved the final cash dividend of 2019 was 3%.

22. DEFERRED TAX LIABILITIES

	Ending balance (VND)	Beginning balance (VND)
Deferred tax liabilities		
Taxable temporary differences:		
Increase in revaluation gain of financial assets at FVTPL	58,814,220,228	407,044,370
Calculated at tax rate 20% applicable to the Company	11,762,844,045	81,408,874

23. OWNERS' EQUITY

23.1 Undistributed profit

	Ending balance (VND)	Beginning balance (VND)
Realized profit	97,712,005,131	78,465,916,697
Unrealized profit/(loss)	11,841,868,404	(73,974,125,862)
	109,553,873,535	4,491,790,835

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23.2 Share capital

	Share capital (VND)	Share premium (VND)	Charter capital supplementary reserve (VND)	Operational risk and financial reserve (VND)	Undistributed profit (VND)	Total (VND)
Beginning balance	1,000,999,060,000	9,240,118,792	15,356,644,767	15,356,644,767	4,491,790,835	1,045,444,259,161
Net profit for the year	-	-	-	-	150,102,282,778	150,102,282,778
Profit appropriations to reserves	-	-	7,505,114,139	7,505,114,139	(15,010,228,278)	-
Advance dividend of 2020	-	-	-	-	(30,029,971,800)	(30,029,971,800)
Ending balance	1,000,999,060,000	9,240,118,792	22,861,758,906	22,861,758,906	109,553,873,535	1,165,516,570,139

Detail of Company share capital as at 31 December 2020:

	Share (Unit)	Amount (VND)	Ratio (%)
Nguyen Mien Tuan	17,810,953	178,109,530,000	17.79
Nguyen Xuan Do	17,000,000	170,000,000,000	16.98
Asia Investment Company	15,043,617	150,436,170,000	15.03
Pham My Linh	11,921,276	119,212,760,000	11.91
Other shareholders	38,324,060	383,240,600,000	38.29
	100,099,906	1,000,999,060,000	100.00

The Company's shares are as follows:

	Ending balance (VND)	Beginning balance (VND)
Authorized shares	100,099,906	100,099,906
<i>Ordinary shares</i>	<i>100,099,906</i>	<i>100,099,906</i>
Shares issued and fully paid	100,099,906	100,099,906
<i>Ordinary shares</i>	<i>100,099,906</i>	<i>100,099,906</i>
Outstanding shares	100,099,906	100,099,906
<i>Ordinary shares</i>	<i>100,099,906</i>	<i>100,099,906</i>

24. DISCLOSURE OF OFF-BALANCE SHEET ITEMS

24.1 Financial assets listed/registered for trading at VSD of the Company

	Par value	
	Ending balance (VND)	Beginning balance (VND)
Unrestricted and traded financial assets	143,830,070,000	130,133,410,000
Financial assets awaiting for settlement	2,200,000,000	-
Restricted financial assets	270,000	270,000
	146,030,340,000	130,133,680,000

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24.2 Non-traded financial assets deposited at VSD of the Company

	Par value	
	Ending balance (VND)	Beginning balance (VND)
Unrestricted and non-traded financial assets	2,990,000	2,990,000
Unrestricted and awaiting for trading financial assets	1,928,620,000	80,000
	1,931,610,000	3,070,000

24.3 Financial assets awaiting for arrival of the Company

	Par value	
	Ending balance (VND)	Beginning balance (VND)
Financial assets awaiting for arrival	3,500,000,000	54,484,400,000

24.4 Financial assets which have not been deposited at VSD of the Company

	Par value	
	Ending balance (VND)	Beginning balance (VND)
Financial assets awaiting for arrival	88,299,890,000	4,500,200,000

24.5 Financial assets listed/registered at VSD of investors

	Quantity	
	Ending balance	Beginning balance
Unrestricted and traded financial assets	1,292,454,670	915,305,088
Restricted and traded financial assets	7,882,843	12,676,824
Mortgage and traded financial assets	231,987,522	225,724,678
Blocked financial assets	107,346,314	90,286,355
Financial assets awaiting for settlement	22,591,366	24,715,510
Customers' deposits for derivatives trading	420	150
	1,662,263,135	1,268,708,605

24.6 Non-traded financial assets deposited at VSD of investors

	Quantity	
	Ending balance	Beginning balance
Unrestricted and non-traded financial assets	6,077,118	5,198,413
Restricted and non-traded financial assets	25,200	-
	6,102,318	5,198,413

24.7 Financial assets awaiting for arrival of investors

	Quantity	
	Ending balance	Beginning balance
Shares	21,243,453	13,182,390

24.8 Entitled financial assets of investors

	Quantity	
	Ending balance	Beginning balance
Shares	420,825	2,341,727

24.9 Investors' deposits

	Ending balance (VND)	Beginning balance (VND)
Investors' deposits for securities trading activities managed by the Company	1,064,579,545,897	313,619,218,115
- <i>Domestic investors' deposits for securities trading activities managed by the Company</i>	1,061,446,747,454	313,219,594,370
- <i>Foreign investors' deposits for securities trading activities managed by the Company</i>	3,132,798,443	399,623,745
Investors' deposits at VSD	22,680,648,936	4,734,497,646
Investors' deposits for clearing and settlement	17,176,996,823	1,311,732,093
- <i>Domestic investors' deposits for clearing and settlement securities transactions</i>	16,733,847,952	511,556,652
- <i>Foreign investors' deposits for clearing and settlement securities transactions</i>	443,148,871	800,175,441
Deposits of securities issuers	1,823,701,847	177,647,321
	1,106,260,893,503	319,843,095,175

continued »»»

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24.10 Payables to investors – investors' deposits for securities trading activities managed by the Company

	Ending balance (VND)	Beginning balance (VND)
Payables to investors - Investors' deposits for securities trading activities managed by the Company		
- Domestic investors	1,100,332,191,914	316,959,015,244
- Foreign investors	3,132,798,443	399,623,745
	1,103,464,990,357	317,358,638,989

24.11 Dividend, bond principal and interest payables

	Ending balance (VND)	Beginning balance (VND)
Dividend payables	2,795,903,146	2,484,456,186

25. GAIN/(LOSS) FROM FINANCIAL ASSETS

25.1 Gain/(loss) from sale of financial assets at FVTPL

	Current year (VND)	Previous year (VND)
Gain from sale of financial assets at FVTPL	68,213,396,708	11,246,570,851
Loss from sale of financial assets at FVTPL	(22,352,853,137)	(22,896,375,876)
	45,860,543,571	(11,649,805,025)

Details of net realized loss from disposals of FVTPL financial assets by category are as follows:

No	Financial assets	Quantity Shares	Proceeds (VND)	Cost of disposals (*) (VND)	Loss from sale during the current year (VND)	Loss from sale during the previous year (VND)
1	Listed securities	34,899,557	659,866,680,800	619,312,315,596	40,554,365,204	(8,102,955,309)
2	Unlisted securities	29,027,791	547,625,995,500	546,695,735,291	930,260,209	(3,546,849,716)
3	Unlisted bonds	491,401	437,353,262,993	432,977,344,835	4,375,918,158	-
		64,418,749	1,644,845,939,293	1,598,985,395,722	45,860,543,571	(11,649,805,025)

(*) The costs of disposals are determined by the weighted average method up to the end of the trading date..

25.2 Gain/(loss) from revaluation of financial assets

	Current year (VND)	Previous year (VND)
Increase in revaluation gain of FVTPL financial assets	58,407,175,858	129,535,257
Increase in revaluation loss of FVTPL financial assets	27,408,818,408	963,799,598
	85,815,994,266	1,093,334,855

No	Financial assets	Cost (VND)	Fair value (VND)	Revaluation difference as at 31 December 2020 (VND)	Revaluation difference as at 31 December 2019 (VND)	Charged to income statements (VND)
1	Listed shares	182,608,923,961	241,033,295,850	58,424,371,889	(40,695,418,448)	99,119,790,337
2	Unlisted shares	218,239,761,243	172,437,219,880	(45,802,541,363)	(33,278,707,414)	(12,523,833,949)
3	Unlisted bonds	84,601,923,048	83,821,960,926	(779,962,122)	-	(779,962,122)
		485,450,608,252	497,292,476,656	11,841,868,404	(73,974,125,862)	85,815,994,266

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25.3 Dividend, interest income from financial assets at FVTPL, loans and receivables

	Current year (VND)	Previous year (VND)
Dividend, interest from financial assets at FVTPL	4,522,817,808	8,343,159,295
Interest income from loans and receivables	188,368,174,593	223,896,023,400
	192,890,992,401	232,239,182,695

26. PROVISION EXPENSES FOR DIMINUTION IN VALUE AND IMPAIRMENT OF FINANCIAL ASSETS, DOUBTFUL DEBTS AND BORROWING COSTS OF LOANS

	Current year (VND)	Previous year (VND)
Borrowing costs to finance lending activities	95,162,904,148	96,861,609,094
(Reversal)/expenses of provision for impairment of loans	(35,621)	16,798,758,580
	95,162,868,527	113,660,367,674

27. EXPENSES FOR PROPRIETARY ACTIVITIES

	Current year (VND)	Previous year (VND)
Salary expense and other related expenses	3,033,309,573	1,357,029,714
Office rentals	285,422,529	276,582,240
Other expenses	128,972,114	306,467,433
	3,447,704,216	1,940,079,387

28. EXPENSES FOR BROKERAGE SERVICES

	Current year (VND)	Previous year (VND)
Salary expense and other related expenses	36,383,331,004	33,683,360,616
Transaction fee for brokerage activities	16,638,113,530	15,831,485,847
Office rentals	6,831,743,649	6,847,348,188
Commission expenses	4,942,421,294	5,306,532,515
Depreciation and amortization expenses	958,650,000	1,354,825,668
Other expenses	5,674,839,069	7,589,134,583
	71,429,098,546	70,612,687,417

29. EXPENSES FOR SECURITIES CUSTODIAN SERVICES

	Current year (VND)	Previous year (VND)
Custody expenses	7,563,584,286	6,619,973,491
Other expenses	1,279,067,172	1,018,994,957
	8,842,651,458	7,638,968,448

30. EXPENSES FOR FINANCIAL ADVISORY SERVICES

	Current year (VND)	Previous year (VND)
Salary expense and other related expenses	8,895,398,166	8,483,642,310
Office rentals	622,446,218	530,912,724
Other expenses	1,353,584,032	988,556,689
	10,871,428,416	10,003,111,723

31. EXPENSES FOR OTHER OPERATING SERVICES

	Current year (VND)	Previous year (VND)
Salary expense and other related expenses	9,892,157,189	7,630,404,608
Office rentals	1,473,727,425	1,261,792,616
Other expenses	742,516,432	1,275,781,765
	12,108,401,046	10,167,978,989

32. GENERAL AND ADMINISTRATIVE EXPENSES

	Current year (VND)	Previous year (VND)
Salary expense and other related expenses	43,656,188,919	36,962,526,187
Depreciation and amortization expenses	5,469,259,253	4,860,276,816
Office rentals	4,294,231,183	4,231,472,756
Maintenance expenses	1,936,442,928	1,594,976,832
Events and business trip expenses	1,581,073,585	1,937,466,079
Electricity, telecommunication services	1,632,591,876	2,063,179,459
Remuneration of the Board of Directors	2,075,568,000	1,126,700,000
Other expenses	11,097,543,398	8,456,447,288
	71,742,899,142	61,233,045,417

continued »»»

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33. CORPORATE INCOME TAX

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change later upon final determination by the tax authorities.

33.1 Corporate income tax expense

The total corporate income tax in this period is represented in the table below:

	Current year (VND)	Previous year (VND)
Current CIT expense	30,878,457,891	7,831,959,010
Deferred CIT expense	11,681,435,171	25,907,051
	42,559,893,062	7,857,866,061

33.2 Current CIT expense

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year differs from the profit as reported in the statement income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the reporting date.

Reconciliation between CIT expense and accounting profit multiplied by CIT rate presented below:

	Current year (VND)	Previous year (VND)
Profit before tax	192,662,175,840	42,503,134,016
At CIT rate of 20% applicable to the Company	38,532,435,168	8,500,626,803
Increase adjustments	956,367,537	486,547,746
Non-deductible expenses	956,367,537	486,547,746
Decrease adjustments	11,970,305,397	1,204,026,664
Dividend income	288,870,226	1,178,119,613
Increase in revaluation gain of financial assets at FVTPL	11,681,435,171	25,907,051
Additional tax paid after finalization	3,359,960,583	48,811,125
Current CIT expenses	30,878,457,891	7,831,959,010

33.3 Deferred CIT expense

The Company recognised the deferred CIT expense and deferred CIT liabilities with the movement in current year and previous year below:

	Statement of financial position		Income statement	
	Ending balance (VND)	Beginning balance (VND)	Current period (VND)	Previous period (VND)
Deferred CIT liabilities				
Gain from revaluation of financial assets at FVTPL	11,762,844,045	81,408,874	11,681,435,171	25,907,051
Deferred CIT expense			11,681,435,171	25,907,051

The tax authorities have finalized the corporate income tax up to 31 December 2017.

34. BASIC EARNINGS PER SHARE

34.1 Basis earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	Current year (VND)	Previous year (VND)
Profit after tax attributable to ordinary shareholders (VND)	150,102,282,778	34,645,267,955
Weighted average number of outstanding ordinary shares (share)	100,099,906	100,099,906
Basic earnings per share (VND/share)	1,500	346

34.2 Diluted earnings per share

The Company did not have potentially dilutive ordinary shares during the year.

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35. OTHER INFORMATION

35.1 Related party transactions

Parties are considered to be related parties of the Company if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

Details of the relationship between the Company and related parties are as follows:

Related party	Relationship
Mr. Nguyen Mien Tuan	Major shareholder
Mr. Nguyen Xuan Do	Major shareholder
Asia Investment Company	Major shareholder
Ms. Pham My Linh	Major shareholder
Hoang Trieu Company Limited	Member of Board of Directors of the Company is the legal representative of Hoang Trieu Company Limited
Board of Directors and the management	Key management

Significant transactions with related parties during the year are as follows:

Related parties	Transactions	Current year (VND)	Previous year (VND)
Hoang Trieu Company Limited	Office rentals and related services	11,541,156,177	11,371,362,501
Major shareholders	Dividend paid	11,098,191,300	17,126,701,700
Board of Directors and the management	Remuneration, salary and other benefit	9,510,404,009	9,735,725,876

Balances with related parties at the reporting date are as follows:

Related parties	Transactions	Ending balance (VND)	Previous year (VND)
Hoang Trieu Company Limited	Trade payables	174,886,001	146,795,115
Major shareholders	Dividend paid in 2020	8,089,467,900	3,008,723,400

35.2 Segment information

Brokerage services segment generates revenues and expenses related to securities brokerages and securities investment advisory services.

Proprietary activities segment generates revenues and expenses related to FVTPL financial assets.

Financial advisory services segment generates revenues and expenses related to corporates financial advisory, underwriting, M&A consultancy and another consultancy.

Securities services segment generates revenues and expenses related to margin loans and custody securities.

Segment information by business lines are as follows:

	Proprietary activities (VND)	Brokerage services (VND)	Financial advisory services (VND)	Securities services and others (VND)	Total (VND)
Current year					
Net income from securities trading activities	128,143,359,435	106,573,952,424	18,482,718,180	197,583,734,003	450,783,764,042
Direct expenses	1,356,847,056	(63,600,875,066)	(10,105,046,505)	(100,959,707,401)	(173,308,781,916)
Depreciation and allocated expenses	(300,976,318)	(10,359,260,798)	(766,381,911)	(15,054,859,480)	(26,481,478,507)
Segment result	129,199,230,173	32,613,816,560	7,611,289,764	81,569,167,122	250,993,503,619
Net financial income					13,058,343,406
General and administrative expenses					(71,744,124,665)
Net other income					354,453,480
Operating result					
<i>As at 31 December 2020</i>					
Segment assets	616,984,013,236	38,602,368,613	401,830,000	1,890,948,417,866	2,546,936,629,715
Unallocated assets	-	-	-	-	21,418,957,434
Total assets	616,984,013,236	38,602,368,613	401,830,000	1,890,948,417,866	2,568,355,587,149
Segment liabilities	(18,730,000,000)	(7,632,839,030)	(1,729,878,000)	(1,284,046,165,161)	(1,312,138,882,191)
Unallocated liabilities	-	-	-	-	(90,700,134,819)
Total liabilities	(18,730,000,000)	(7,632,839,030)	(1,729,878,000)	(1,284,046,165,161)	(1,402,839,017,010)
Previous year					
Net income from securities trading activities	17,263,724,173	77,238,499,618	2,507,836,365	231,701,742,276	328,711,802,432
Direct expenses	(23,551,953,429)	(60,493,312,158)	(9,142,317,278)	(115,842,580,067)	(209,030,162,932)
Depreciation and allocated expenses	(320,702,236)	(12,948,667,354)	(860,794,445)	(15,624,735,044)	(29,754,899,079)
Segment result	(6,608,931,492)	3,796,520,106	(7,495,275,358)	100,234,427,165	89,926,740,421
Net financial income					13,767,098,281
General and administrative expenses					(61,233,045,417)
Net other income					42,340,731
Operating result					
<i>As at 31 December 2019</i>					
Segment assets	490,907,338,340	39,264,656,569	283,000,000	1,750,598,610,300	2,281,053,605,209
Unallocated assets	-	-	-	-	18,491,902,488
Total assets	490,907,338,340	39,264,656,569	283,000,000	1,750,598,610,300	2,299,545,507,697
Segment liabilities	(153,802,872,000)	(2,047,730,967)	(1,098,800,000)	(1,052,814,118,489)	(1,209,763,521,456)
Unallocated liabilities	-	-	-	-	(44,337,727,080)
Total liabilities	(153,802,872,000)	(2,047,730,967)	(1,098,800,000)	(1,052,814,118,489)	(1,254,101,248,536)

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35.3 Operating lease commitments

The Company currently leases its offices under the operating lease contracts. As at 31 December 2020, the future rental fee payables as stated in the rental contracts are as follows:

	Ending balance (VND)	Beginning balance (VND)
Within 1 year	14,507,397,120	13,594,343,129
From 1 - 5 years	35,877,925,040	45,376,508,360
	50,385,322,160	58,970,851,489

35.4 Purposes and policies of financial risk management

Financial liabilities of the Company mainly comprised of trade payables and other payables. Primary purpose of financial liabilities is to finance main business operation of the Company. The Company possesses financial assets at FVTPL, loans, receivables from customers and other receivables, cash on hand and short-term deposit incurring directly from business operation of the Company. The Company does not hold or issue any derivative instruments.

The Company is exposed to market risk, credit risk and liquidity risk in its daily operation.

Risk management is integral to the whole business of the Company. The Company has a system of control in place to achieve an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Management reviews and agrees policies for managing each of these risks which are summarized as below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price comprises four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk including financial asset at FVTPL, loans, deposits and held-to-maturity investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's cash, short-term deposits and HTM investment.

The Company manages interest rate risk by looking at the competitive structure of the market to obtain relevant interest policies, which are favorable for its purposes within its risk management limits.

A sensitivity analysis is not performed for the interest rate risk as the Company's financial instrument bearing fixed interest rate.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in which revenue or expense is denominated in a different currency. The Company manages its currency risk by continuously monitoring of foreign exchange rates and thereby timely updating its forecast of cash flows in foreign currencies. The Company's operations are exposed to risk of certain currencies, mainly the United States Dollar ("USD").

The Company's currency exposure to the USD is as follows:

	Original currency USD		Equivalent to VND	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Financial assets	-	-	-	-
Financial liabilities				
Short-term borrowings	(3,000,000)	(5,000,000)	(69,594,000,000)	(115,900,000,000)
Net financial liability	(3,000,000)	(5,000,000)	(69,594,000,000)	(115,900,000,000)
Net currency exposure	(3,000,000)	(5,000,000)	(69,594,000,000)	(115,900,000,000)

Share price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Company manages share price risk by establishing investment limit. Board of Directors of the Company also reviews and approves decisions to invest in shares.

Changes in share price can affect to the Company's profit and equity.

At the reporting date, the fair value of both the Company's listed shares and unlisted shares amounted to VND413,470,515,730 (31 December 2019: VND340,067,915,810). A decrease by 10% on the stock market index may result in a decrease in the Company's profit before tax by VND41,347,051,573 (31 December 2019: VND34,006,791,581). An increase by 10% on the stock market index may result in an increase in the Company's profit before tax by VND41,347,051,573 (31 December 2019: VND34,006,791,581).

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for margin loans, advances to customers and trade receivables) and from its financing activities, including deposits with banks, HTM investments.

Trade receivables

The Company based on its established policies, procedures and controls relating to customer credit risk management manages customer credit risk.

The Company is regularly monitored outstanding customer receivables and required secured methods or credit insurance to large customers' receivables. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. The Company has maintained strict control over its outstanding receivables and has a credit control department to minimize credit risk. In view of the aforementioned and the fact that the Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Continued »»»

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Deposits at banks

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's accounting department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts. The Company evaluates the concentration of credit risk in respect to bank deposit as low.

Margin loans and advances to customers

The Company manages its credit risks via the use of internal control policies, processes and procedures relevant to margin lending and advance payments to customers. The Company assesses customers to determine their credit limits and margin rates before lending margin and advances to customers and periodically reassesses the financial position of customers to adjust the credit limits and margin rates accordingly. The credit limits are measured based on value of collateral assets, customer's credit rating and other indicators.

Continued >>>

The following loans are considered as overdue as at 31 December 2020 (excluding of contracts that was extended or liquidated before the signing date of this report). Except for financial assets which are reserved for impairment, according to the Management's assessment, the remaining financial assets are neither overdue nor impaired as they are all liquid.

	Total VND	Balance provision VND	Neither past due nor impaired VND	Past due but not impairment			
				Under 3 months VND	From 3 - 6 months VND	Over 6 - 12 months VND	Over 1 year VND
Beginning balance	1,633,196,291,178	44,087,433,255	1,589,108,857,923	-	-	-	-
Ending balance	1,453,872,727,915	44,087,433,254	1,409,785,247,341	-	-	-	-

Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulties in meeting financial obligations due to the shortage of funds. The Company's exposure to liquidity risk arises primarily from the mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintain a level of cash and cash equivalents and bank loans deemed adequate to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as at 31 December 2020:

	Overdue (VND)	On demand (VND)	Up to 1 year (VND)	Over 1 to 5 years (VND)	Over 5 years (VND)	Total (VND)
FINANCIAL ASSETS						
Cash and cash equivalents	-	582,254,424,536	-	-	-	582,254,424,536
Financial asset at FVTPL	-	413,470,515,730	-	83,821,960,926	-	497,292,476,656
Loans - gross	44,087,433,254	-	1,409,785,294,661	-	-	1,453,872,727,915
Receivables from disposal of financial assets	-	-	6,141,978,000	-	-	6,141,978,000
Receivables and accruals from dividend and interest income	-	-	3,470,906,685	-	-	3,470,906,685
Receivables from services provided by the Company	-	-	10,970,504,329	-	-	10,970,504,329
Advances to suppliers	-	-	1,821,797,251	-	-	1,821,797,251
Short-term deposits, collaterals and pledges	-	-	21,400,000	-	-	21,400,000
Other receivables - gross	1,978,208,478	217,216,743	-	-	-	2,195,425,221
Long-term deposits, collaterals and pledges	-	-	78,000,000	3,381,037,920	-	3,459,037,920
Deposits to Settlement Assistance Fund	-	20,000,000,000	-	-	-	20,000,000,000
Other non-current assets	-	10,000,000,000	-	-	-	10,000,000,000
	46,065,641,732	1,025,942,157,009	1,432,289,880,926	87,202,998,846	-	2,591,500,678,513

	Overdue (VND)	On demand (VND)	Up to 1 year (VND)	Over 1 to 5 years (VND)	Over 5 years (VND)	Total (VND)
FINANCIAL LIABILITIES						
Short-term borrowings and financial leases	-	-	69,594,000,000	-	-	69,594,000,000
Short-term bond issuance	-	-	1,206,915,000,000	-	-	1,206,915,000,000
Payables for securities trading activities	-	-	2,927,753,835	-	-	2,927,753,835
Short-term trade payables	-	-	22,786,981,812	-	-	22,786,981,812
Short-term advance from customers	-	-	1,729,878,000	-	-	1,729,878,000
Short-term accrued expenses	-	-	12,242,250,356	-	-	12,242,250,356
Other short-term payables	-	31,311,330,742	612,633,000	-	-	31,923,963,742
	-	31,311,330,742	1,316,808,497,003	-	-	1,348,119,827,745
Net liquidity gap	46,065,641,732	994,630,826,267	115,481,383,923	87,202,998,846	-	1,243,380,850,768

The Company assessed that concentration of payment risk is low. The Company is in capable of accessing capital resource and borrowings that matures in 12 months could be renewed with existing lenders.

36. EVENT AFTER THE BALANCE SHEET DATE

On 30 December 2020, State Securities Commission issued the Decision No. 944/QĐ-UBCK to approve the transaction which changes the shares ownership of Viet Dragon Fund Management Joint Stock Company.

On 6 January 2021, Viet Dragon Securities Corporation completed the purchasing transaction to acquire 51% of shares of Viet Dragon Fund Management Joint Stock Company.

There is no other matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the financial statements of the Company.



Ms. Duong Kim Chi
Chief Accountant



Mr. Le Minh Hien
Chief Finance Officer



Ms. Nguyen Thi Thu Huyen
General Director

Ho Chi Minh City, Vietnam
17 March 2021



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